

SUPREME COURT OF THE UNITED STATES

NOTICE THAT **1917**

No. 168

**MARINE WIRELESS TELEGRAPH COMPANY OF
AMERICA, PETITIONER.**

EMIL J. SIMON.

**IN VIEW OF CERTIFICATE TO THE UNITED STATES CIRCUIT COURT
OF APPEALS FOR THE SECOND CIRCUIT.**

**RECEIVED FOR CERTIFICATE MAY 17, 1917.
CERTIFICATE AND RETURN MADE JULY 2, 1917.**

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SUPREME COURT OF THE UNITED STATES.

OCTOBER TERM, 1916.

No. 485.

MARCONI WIRELESS TELEGRAPH COMPANY OF
AMERICA, PETITIONER,

vs.

EMIL J. SIMON.

ON WRIT OF CERTIORARI TO THE UNITED STATES CIRCUIT COURT
OF APPEALS FOR THE SECOND CIRCUIT.

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Original. Print

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1 The President of the United States of America to Emil J. Simon, Greeting:

You are hereby commanded to appear before the judges of the District Court of the United States of America for the Southern District of New York, in the Second Circuit, to answer a bill of complaint exhibited against you in the said court in a suit in equity, by Marconi Wireless Telegraph Company of America, and to further do and receive what the said court shall have considered in this behalf; and this you are not to omit under the penalty on you of Two hundred and Fifty Dollars (\$250).

Witness, Honorable Charles M. Hough, judge of the District Court of the United States for the Southern District of New York, at the City of New York, on the 24th day of September, in the year one thousand nine hundred and fifteen and of the Independence of the United States of America the one hundred and fortieth.

SHEFFIELD & BETTS,
Plaintiff's Solicitors.

52 William St.

The defendant is required to file his answer or other defense in the above cause in the Clerk's office of this court, on or before the twentieth day after service hereof, excluding the day of said service; otherwise the bill aforesaid may be taken pro confesso.

[SEAL.]

ALEX GILCHRIST, JR., *Clerk.*

2

Notice.

I hereby certify that on the 6th day of October, 1915, at the City of New York, in my district, I personally served the within subpoena in equity upon the within-named defendant Emil J. Simon, at Nos. 18 and 29 Rose Street, N. Y. City, by exhibiting to him the within original, and at the same time leaving with him a copy thereof.

THOMAS D. MCCARTHY,
United States Marshal, Southern District of New York.

Dated October 6th, 1915.

W. N. M.

Notice of Motion for Preliminary Injunction.

United States District Court, Southern District of New York.

In Equity. No. 763,772.

MARCONI WIRELESS TELEGRAPH COMPANY OF AMERICA, Plaintiff,
vs.
EMIL J. SIMON, Defendant.

On Marconi Patent.

Please take notice that, upon the bill of complaint, the Marconi Patent No. 763,772 in the above-entitled suit, the affidavits of John Bottomley, verified the 22nd day of September, 1915; John W. Peters, verified the 22nd day of September, 1915; Richard A. Ford, verified the 20th day of September, 1915; Walter S. Jones, verified the 22nd day of September, 1915; David Sarnoff, verified the 22nd day of September, 1915, and Frank N. Waterman, verified the 23rd day of September, 1915, hereto annexed, and the exhibits and papers referred to in said affidavits and annexed thereto, at the United States Court Rooms in the Federal Building, in the Borough of Manhattan, City of New York, on the 15th day of October, 1915, at the opening of the Court on that day or as soon thereafter as counsel can be heard, a motion will be made for a preliminary injunction against the defendant herein in accordance with the prayer of said bill of complaint, and for such other or further relief in the premises as to the Court may seem just and proper.

Also please take notice that any papers and exhibits referred to in the above-mentioned affidavits and not annexed hereto may be inspected at any reasonable time at our office.

Dated September 24, 1915.

Yours, etc.,

SHEFFIELD & BETTS,
Plaintiff's Solicitors.

52 William Street, New York City.

To Emil J. Simon, Defendant.

4

Bill of Complaint.

United States District Court, Southern District of New York.

In Equity. No 763,772.

MARCONI WIRELESS TELEGRAPH COMPANY OF AMERICA, Plaintiff,
vs.
EMIL J. SIMON, Defendant.

On Marconi Patent.

The plaintiff, for its bill of complaint, alleges as follows:

1. That this suit is brought under the patent laws of the United States for infringement of United States Letters Patent No. 763,772, issued June 28, 1904, for Improvements in Wireless Telegraph Apparatus.

2. That the Marconi Wireless Telegraph Company of America, the above-named plaintiff, is a corporation duly organized and existing under and by virtue of the laws of the State of New Jersey, and a citizen of said State, and now has an office and place for the transaction of its general business in the Borough of Manhattan, City, County and State of New York.

3. On information and belief, that the above-named defendant, Emil J. Simon, is a citizen of the United States and the State of New York, and is a resident and inhabitant of the Southern District of said State, and has a regular place of business in said District, and he has committed some of the acts of infringement hereinafter complained of in said District.

5 4. That Guglielmo Marconi, on November 10, 1900, being the true, original, first and sole inventor of certain new and useful improvements in apparatus for wireless telegraphy, within the meaning of the statutes of the United States then in force, and being then entitled to Letters Patent of the United States for the said invention and improvement, under the provisions of said statutes, duly made and filed an application in writing with the Commissioner of Patents of the United States for Letters Patent for said invention and improvement, and on or about the 26th day of October, 1900, by an instrument in writing, duly executed and delivered on said day, and recorded in the Patent Office November 10, 1900, duly assigned to Marconi's Wireless Telegraph Company, Limited, its successors and assigns, the entire right, title and interest in said invention and improvement and said application for Letters Patent, and in and to all Letters Patent of the United States to be obtained therefor or granted on said application; and that on June 28, 1904, after duly complying with all of the provisions and requirements of the statutes of the United States in such case made

and provided and then in force, Letters Patent of the United States numbered 763,772 were duly issued on said application and for said last-mentioned invention and improvement to said Marconi's Wireless Telegraph Company, Limited, and its assigns, a Patent Office copy of which Letters Patent is hereto annexed and made a part of this complaint.

5. That on or about the 16th day of March, 1905, by an instrument in writing duly executed and delivered on said day and recorded in the United States Patent Office on the first day of April, 1905, the said Marconi's Wireless Telegraph Company, Limited,

6 ited, being then the owner of the entire right, title and interest in, to and under said Letters Patent No. 763,772, and all claims for damages and profits for past infringement thereof, duly assigned to the plaintiff the entire right, title and interest in, to and under said Letters Patent No. 763,772, together with all claims for damages and profits for past infringement of said Letters Patent, whereby the plaintiff became and continued to be, and was at the time of the infringement hereinafter complained of, and now is the sole and exclusive owner of said Letters Patent No. 763,772, and all rights and privileges granted, and all rights of action and claims for damages and profits for past infringement of said Letters Patent No. 763,772, and the plaintiff asks that the said assignment and the aforesaid assignment to Marconi's Wireless Telegraph Company, Limited, may be deemed and taken as part of this bill, and the plaintiff asks leave to refer to the originals of the same, or duly authenticated copies thereof, now in the plaintiff's possession and ready in Court to be produced.

6. On information and belief that the defendant, since October 1, 1909, and prior to the beginning of this suit, without the license or permission of the plaintiff, has infringed upon said Letters Patent No. 763,772, and has offered, agreed and contracted to sell and supply, and has made or caused to be made, sold or caused to be sold, used or caused to be used, devices, structures, radio or wireless telegraph apparatus or sets, embodying and employing the inventions and subject-matter of said Letters Patent, and is now, in the said District and elsewhere within the United States, infringing upon said Letters Patent, and is now offering, agreeing and contracting to sell and supply, and is now making or causing

7 to be made, selling or causing to be sold, using or causing to be used, the aforesaid devices, structures, radio or wireless telegraph apparatus or sets, and threatens to continue so to do.

7. On information and belief that the defendant, since October 1, 1909, and prior to the commencement of this suit, without the license or permission of the plaintiff, and within said Southern District of New York and elsewhere within the United States, has contributed to the infringement of said Letters Patent No. 763,772, and has offered, agreed and contracted to sell and supply, and has made or caused to be made, sold or caused to be sold, used or caused

to be used, devices, structures, radio or wireless telegraph apparatus, embodying and employing the vital and material elements of the inventions and subject-matter of said Letters Patent, and which devices, structures and radio or wireless telegraph apparatus were and are adapted for use, and intended by the defendant for use, with the other elements of the invention and subject-matter of said Letters Patent, and that said defendant is now, within said District and elsewhere within the United States, contributing to the infringement of said Letters Patent, and is now offering, agreeing and contracting to sell and supply, and is now making or causing to be made, selling or causing to be sold, using or causing to be used, the aforesaid devices, structures, radio or wireless telegraph apparatus, intending and knowing that they are to be used as aforesaid, and threatens to continue so to do.

8. That the inventions of said Letters Patent are of great value and importance, and a number of manufacturers and users have been granted licenses to use the same; that the plaintiff and
8 its licensees have caused great quantities of radio or wireless telegraph apparatus embodying the inventions of said Letters Patent, to be manufactured and supplied to the public, and said inventions are largely used by the plaintiff and its licensees in the conduct of their business; that the plaintiff has caused the date of said Letters Patent, together with the word "Patented," to be affixed to such radio or wireless telegraph apparatus as has been manufactured by it, or under its authority, under said Letters Patent; that the inventions of said Letters Patent are of great benefit and advantage to the public, and the plaintiff and its licensees are prepared and able to supply all demands for radio or wireless telegraph apparatus embodying the inventions of said Letters Patent; that the public has generally acknowledged and acquiesced in the plaintiff's exclusive rights in, to and under both of said Letters Patent; that except for the infringement and contributory infringement herein complained of, and a few others of like character, the plaintiff would still be in the undisputed possession, use and enjoyment of the exclusive rights and privileges secured to it by said Letters Patent, and in receipt of all the gains and profits of the same; that by reason of the said infringement and contributory infringement the defendant has derived and received gains, profits and advantages and caused great damage to the plaintiff, but the amount of which the plaintiff is ignorant of and cannot set forth; that the plaintiff would have received greater gains, profits and advantages from its rights under said Letters Patent had it not been for the aforesaid infringement and contributory infringement thereof by the defendant; that, upon information and belief, the defendant is not or will not be able to pay to the
9 plaintiff any of said gains, profits or damages which may be awarded against him by a decree herein, and that such a decree, without awarding an injunction, provisionally and perpetually, enjoining the defendant's infringement and contrib-

utory infringement, will not afford the plaintiff an adequate remedy against such infringement or protect the plaintiff's rights and those of its licensees under said Letters Patent; that said infringement and contributory infringement by the defendant is an immediate and continuing injury to the rights of the plaintiff in, to and under said Letters Patent, and a perpetual encouragement and inducement to others to infringe thereon, and if said infringement and contributory infringement is not enjoined, as prayed for herein, it will result in further and irreparable injury, loss and damage to the plaintiff.

9. That said Letters Patent has been in litigation in several suits brought by this plaintiff against the National Electric Signaling Company and its receivers, the Atlantic Communication Company, the DeForest Radio Company and Standard Oil Company, respectively, in the United States District Court for the Eastern District of New York and in this Court; that after severe contests on the merits in said suit in the Eastern District of New York, and also on motions for preliminary injunction in that and also in this Court, said Letters Patent have been sustained as valid and infringement found as to claims 1, 2, 3, 6, 8, 10, 11, 12, 13, 14, 16, 17, 18, 19 and 20 of said Letters Patent No. 763,772; that decrees have been entered in the said United States District Court for the Eastern District of New York, sustaining said claims and holding the said National Electric Signaling Company to have infringed upon said claims, and directing the issuance of a perpetual injunction

10 restraining said infringement; that orders have been entered for preliminary injunctions restraining the infringement of said claims by the said Atlantic Communication Company, DeForest Radio Telephone & Telegraph Company and the Standard Oil Company of New York, respectively; that said decrees and orders now remain unreversed and are all in force and effect, the orders in the suit against the DeForest Radio Telephone & Telegraph Company and the Standard Oil Company having been affirmed by the Circuit Court of Appeals for this Circuit, all of which will more fully and largely appear by reference to the records of the said United States District Courts for the Eastern District of New York and of this Court, to which the plaintiff begs leave to refer.

10. That, on information and belief, the structures, devices, radio or wireless telegraph apparatus complained of herein as an infringement and contributory infringement of said Letters Patent are substantially the same in construction and mode of operation as structures, devices or radio or wireless telegraph apparatus already held to be an infringement of said Letters Patent in the aforesaid suits.

11. That, notwithstanding all of the above, and the fact that notice has been given by the plaintiff to the defendant of its said infringement and contributory infringement, the defendant continues to infringe as aforesaid upon both of said Letters Patent, to his

own personal gain, profit and advantage, and to the immediate, irreparable injury, loss and damage of this plaintiff.

The plaintiff, therefore, prays:

1. That the defendant be required to answer this complaint, but not under oath, an answer under oath being expressly waived.
- 11 2. That a permanent injunction and also a preliminary injunction, pending this suit, restraining the defendant, his associates, agents and employees, from directly or indirectly making or causing to be made, using or causing to be used, selling or causing to be sold, leasing or causing to be leased, advertising or offering for sale, agreeing or contracting to sell or lease, installing or causing to be installed, or threatening to make, use, lease, sell, supply or install, or disposing of in any manner, any devices, structures, appliances or radio or wireless telegraph apparatus employing or embodying said inventions embraced or covered by said Letters Patent No. 763,772, and any material or vital elements thereof, and from infringing upon, violating or contributing to the infringement of the said Letters Patent in any way whatsoever.
3. For an accounting of profits, gains and advantages and an assessment of damages, and that any damages assessed may be tripled, and for a decree directing the payment of said gains, profits, advantages and damages to the plaintiff.
4. For costs and disbursements of this suit.
5. For such other and further relief as the circumstances of the case may require.

MARCONI WIRELESS TELEGRAPH
COMPANY OF AMERICA,

By JOHN BOTTOMLEY,
(Corporate Seal) Vice-President.

L. F. H. BETTS,
Counsel for Plaintiff.

SHEFFIELD & BETTS,
*Solicitors for Plaintiff, 52 William Street, Borough of
Manhattan, New York City.*

12 *Bill of Complaint.*

STATE OF NEW YORK,
County of New York, ss:

On this 22nd day of September, 1915, before me came John Bottomley, to me personally known, who being by me duly sworn, did depose and say that he is the Vice-President of Marconi Wireless Telegraph Company of America, the plaintiff named in the foregoing bill of complaint; that he has read the said bill subscribed by

him and knows the contents thereof and that the same is true of his own knowledge, except as to matters which are therein stated to be alleged on information and belief, and as to those matters he believes it to be true; that the reason why this verification is not made by the plaintiff personally is that said plaintiff is a corporation.

JOHN BOTTOMLEY.

Sworn to before me this 22nd day of September, 1915.

[SEAL.]

WALTER S. JONES,
Notary Public, New York County.

No. 485
 Marconi Wireless Telegraphy } p. 14
 Co. V
 Simon } 14

No. 763,772.

PATENTED JUNE 28, 1904.

G. MARCONI.

APPARATUS FOR WIRELESS TELEGRAPHY.

APPLICATION FILED NOV. 10, 1900.

NO MODEL.

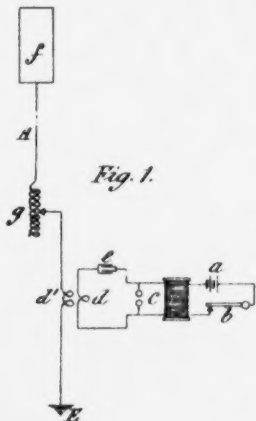


Fig. 1.

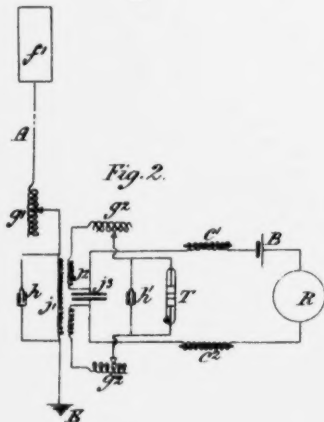


Fig. 2.



Fig. 3.



Fig. 4.

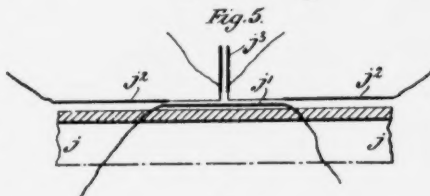


Fig. 5.

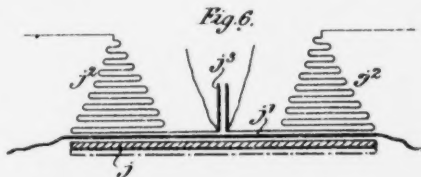


Fig. 6.

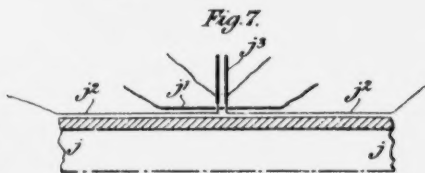


Fig. 7.

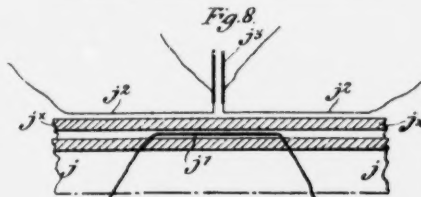


Fig. 8.

Witnesses:
Dr. J. B. ...
...

Inventor
 GUGLIELMO MARCONI, By
...
 HIS ATTORNEYS.

UNITED STATES PATENT OFFICE.

GUGLIELMO MARCONI, OF LONDON, ENGLAND, ASSIGNOR TO MARCONI'S WIRELESS TELEGRAPH COMPANY, LIMITED, OF LONDON, ENGLAND.

APPARATUS FOR WIRELESS TELEGRAPHY.

SPECIFICATION forming part of Letters Patent No. 763,772, dated June 28, 1904.

Application filed November 10, 1900. Serial No. 35,010. (No model.)

To all whom it may concern:

Be it known that I, GUGLIELMO MARCONI, electrician, a subject of the King of Italy, residing and having a post-office address at 18 Finch Lane, Threadneedle street, in the city of London, England, have invented certain new and useful Improvements in Apparatus for Wireless Telegraphy, of which the following is a specification.

My invention relates to apparatus for communicating electrical signals without wires and by means of Hertz oscillations or electric waves; and the object of the invention is to increase the efficiency of the system and to provide new and simple means whereby oscillations or electric waves from a transmitting-station may be localized when desired at any one selected receiving station or stations out of a group of several receiving-stations.

In my prior United States patent No. 586,193 (Reissue No. 11,913, dated June 4, 1901) I have shown and described the combination at a transmitting-station of an oscillation-producer, such as an induction-coil, having one end of its secondary coil connected to one contact of a spark-producer and to the earth and having the other end of the said secondary connected to the opposite contact of the spark-producer and to a vertical wire or elevated plate, and I have further shown at a receiving-station an imperfect contact connected in circuit with a vertical receiving-wire and with the earth. According to the present invention the system includes at the transmitting-station the combination, with an oscillation-transformer of a kind suitable for the transformation of very rapidly alternating currents, of a persistent oscillator, and a good radiator, one coil of said transformer being connected between the aerial wire or plate and the connection thereof to earth, while the other coil of the transformer is connected in circuit with a condenser, a producer of Hertzian oscillations or electric waves shown in the form of a spark-producer, and an induction-coil (constituting the persistent oscillator) controlled by a signaling instrument. The complete system also includes at a receiving-station an oscillation-transformer one coil whereof is

included between the aerial receiving-wire and earth, constituting a good absorber of electrical oscillations, while a device responsive to electric waves, such as an imperfect contact or a device for operating the same, is included in a circuit with the other coil of said transformer. The system also requires as essential elements thereof the inclusion in the lines (at both stations) from the aerial conductor to the earth of variable inductances and the use at both stations of means for varying or adjusting the inductance of the two circuits at each station to accord with each other. By this arrangement of apparatus I am able to secure a perfect "tuning" of the apparatus at a transmitting-station and at one or more of a number of receiving-stations.

Referring to the accompanying drawings, Figure 1 indicates diagrammatically the arrangement of apparatus at a transmitting-station. Fig. 2 indicates diagrammatically the arrangement of apparatus at a receiving-station. Figs. 3 and 4 are views, plan and side, of the preferred form of transformer at the transmitting-station. Figs. 5, 6, 7, and 8 are diagrammatic views of forms of transformers at the receiving-station.

The transmitting-station is provided under my present invention with a source *a* of current electrically connected in circuit with the primary of an induction-coil *c* and with a circuit-closing key *b* or otherwise controlled by a signaling instrument. In the secondary circuit of said induction-coil the spherical terminals or other contacts of a spark-producer or other electric-wave or oscillation producer are included with a shunt therefrom, in which shunt is included the primary coil *d* of an oscillation-transformer, such as *d*¹. A condenser *e*, preferably one provided with two telescoping metallic tubes separated by a dielectric and arranged to readily vary the capacity by being slid upon each other, is included in one connection from the induction-coil to the transformer-winding *d*. The secondary coil *d*² of the transformer is connected (at one end) to the earth *E* and at its other end to a vertical wire *A* or an elevated plate *f*.

It is obvious that instead of the induction-

coil and associated parts for producing the electric waves or oscillations I may use any other proper means for producing such waves or oscillations—such, for instance, as a generator of alternating electric currents.

The illustrated arrangement of parts at a transmitting station enables much more energy to be imparted to the radiator f , the approximately closed circuit of the primary being a good conservator and the open circuit of the secondary being a good radiator of wave energy. My experiments have demonstrated that the best results are obtained at the transmitting-station when I use a persistent oscillator—an electrical circuit of such a character that if electromotive force is suddenly applied to it and the current then cut off electrical oscillations are set up in the circuit which persist or are maintained for a long time—in the primary circuit and use a good radiator—i. e., an electrical circuit which very quickly imparts the energy of electrical oscillations to the surrounding ether in the form of waves—in the secondary circuit.

In operation the signaling-key b is pressed, and this closes the primary of the induction-coil. Current then rushes through the transformer-circuit and the condenser c is charged and subsequently discharges through the spark-gap. If the capacity, the inductance, and the resistance of the circuit are of suitable values, the discharge is oscillatory, with the result that alternating currents of high frequency pass through the primary of the transformer and induce similar oscillations in the secondary, these oscillations being rapidly radiated in the form of electric waves by the elevated conductor.

For the best results and in order to effect the selection of the station or stations whereat the transmitted oscillations are to be localized I include in the open secondary circuit of the transformer, and preferably between the radiator f and the secondary coil d' , an inductance-coil g , Fig. 1, having numerous coils, and the connection is such that a greater or less number of turns of the coil can be put in use, the proper number being ascertained by experiment.

At the receiving-stations employing my present invention I prefer to use a receiver such as those described in my several United States Patents, Nos. 586,193, 627,659, 647,007, 647,008, 647,009, and 668,315, capable of being affected by electrical waves or oscillations of high frequency.

As a responder to electric waves I may use at the receiving-station any of the now well-known forms of such devices, such as those which depend for their action on the reduction of the resistance of a metallic microphone by the action of electric waves or "coherers," one form of which is disclosed in my Patent No. 586,193, or I may employ one which depends for its action on the increase of the re-

sistance of the device under the influence of the electric waves or "anticoherers," such as described by Branly in *La Lumière Electrique* of June 13, 1891, or I may use those which depend upon the action of an electric wave as a magnetizing or demagnetizing agency, such as I have disclosed in my application Serial No. 132,974, filed November 28, 1902, or I may use various other well-known devices, such as the electrolytic, electrothermal, electromagnetic, or electrodynamic responders.

Referring to Fig. 2, f' indicates a plate or cylinder (not essential at either transmitter or receiver) at the upper end of an elevated conductor A , which is connected to the primary coil f of a transformer or induction-coil and thence to earth E . In a shunt around said primary f I usually place a condenser h , preferably similar in construction and operation to the condenser c . An inductance-coil g' of variable inductance is interposed in the primary circuit of the transformer, being preferably located between the cylinder f' and the coil f , and the inductance of said coil may be adjusted in accordance with the method described by me in my Letters Patent of the United States No. 676,332 to harmonize with the inductance of coil g at the transmitting-station, Fig. 1 of the accompanying drawings, or with that of the coil or coils at one or more of the transmitting-stations included in the communicating system.

The secondary coil f'' of the transformer is wound in two parts, preferably as described in my United States Letters Patent No. 668,315, dated February 19, 1901, and the outer ends of said coil are connected in certain cases through one or more interposed inductance-coils g' , preferably of variable inductance, with the terminals of a coherer T or other detector of electrical oscillations. The inner ends of the split secondary coil are connected to the plates of a condenser j' . A condenser h' is sometimes included in a shunt around the detector T . B is a battery, and R a relay connected to the condenser j' and controlling a telegraphing instrument or a printing device. c' and c'' are choking-coils preventing oscillations from the secondary f'' running into the battery-circuit, and thereby confining them to the wave-responsive device.

The capacity and self-induction of the four circuits—i. e., the primary and secondary circuits at the transmitting-station and the primary and secondary circuits at any one of the receiving-stations in a communicating system—are each and all to be so independently adjusted as to make the product of the self-induction multiplied by the capacity the same in each case or multiples of each other—that is to say, the electrical time periods of the four circuits are to be the same or octaves of each other.

In employing this invention to localize the

transmission of intelligence at one of several receiving-stations the time period of the circuits at each of the receiving-stations is so arranged as to be different from those of the other stations. If the time periods of the circuits of the transmitting-station are varied until they are in resonance with those of one of the receiving-stations, that one alone of all of the receiving-stations will respond, provided that the distance between the transmitting and receiving stations is not too small.

The adjustment of the self-induction and capacity of any or all of the four circuits can be made in any convenient manner and employing various arrangements of apparatus, those shown and described herein being preferred. In practice I have found the following preferred details of arrangements of apparatus to work well: The aerial conductors A at all stations and the conductor for the transformer-windings at the receiving-stations are composed of seven strands of copper wire .889 millimeters in diameter. The transformer at the transmitting-station may be of any of the following forms:

1. Around a block or core d' , preferably a square block—say 17 meters wide—of insulating material is wound a primary coil d in length .946 meters, while the secondary d' consists of two turns or squares, one lying on each side of the primary. (See Figs. 3 and 4.) The insulation of both primary and secondary consists of 1.25 millimeters of rubber and one millimeter of jute, making a total thickness of 2.25 millimeters.

2. A transformer in all essential respects similar to 1, but with a primary of 1.93 meters and the core or block on which both primary and secondary are wound, is .3048 meters wide.

3. A transformer having a cylindrical core 10.16 centimeters in diameter and with a primary having ten turns wound thereon; over this, but separated by two millimeters of paper or other insulant, the secondary, also of ten turns.

Various forms of transformers, &c., which may be employed by me are described in my British Patent No. 7,777 of 1900.

The inductance-coils g and g' are preferably of copper wire 6.25 millimeters in diameter, wound on a cylinder 10.64 centimeters in diameter, with an interval of 2.28 millimeters between adjacent turns. The inductance-coils g'' at the receiving-station are preferably of silk-covered copper wire .19 millimeter diameter wound upon cylinders 3.7 centimeters in diameter.

Various forms of induction-coils j' , j'' may be used. Figs. 5, 6, 7, and 8 show details of different forms. The figures show diagrammatically greatly-enlarged longitudinal sections not strictly to scale. Instead of showing the section of each coil or layer of wire as a longitudinal row of dots or small circles,

as it would actually appear, it is for simplicity shown as a continuous longitudinal straight line.

Referring to Fig. 5, the primary j' preferably consists of 3.046 meters of silk-covered copper wire, say, and seventy-one millimeters in diameter wound in one layer on a core of ebonite or other insulating material 2.9 centimeters in diameter. Insulating material is wound over and on each side of this, so as to make a cylindrical core, say, 3.13 centimeters in diameter, on which is wound the secondary, each half of which consists of 6.4 meters of silk-covered copper wire .19 millimeter in diameter joined to 13.41 meters of silk-covered copper wire .37 millimeter in diameter wound in the same sense as the primary, the thinner wire being over the primary and the thicker being beyond the ends thereof.

The form of induction-coil shown in Fig. 6 has a primary of one hundred turns of copper wire .037 centimeters in diameter wound on a core j (2.9 centimeters in diameter) with a single silk covering and coated with paraffin-wax. The secondary j'' is of copper wire .019 in diameter, insulated with a single silk covering, and is wound over the primary, commencing in the middle and in the same way as the primary. Each half of the secondary is in layers of the following number of turns: first layer, seventy-seven turns; second layer, forty-nine turns; third layer, forty-six turns; fourth layer, forty-three turns; fifth layer, forty turns; sixth layer, thirty-seven turns; seventh layer, thirty-four turns; eighth layer, thirty-one turns; ninth layer, twenty-eight turns; tenth layer, twenty-five turns; eleventh layer, twenty-two turns; twelfth layer, nineteen turns; thirteenth layer, sixteen turns; fourteenth layer, thirteen turns; fifteenth layer, ten turns; sixteenth layer, seven turns; and seventeenth layer, three turns, making five hundred turns in all.

A third form of induction-coil (shown in Fig. 7) has a primary of 3.048 meters of silk-covered copper wire .19 millimeter in diameter and a secondary of 30.48 meters of silk-covered copper wire .1 millimeter in diameter wound in one layer on a core four centimeters in diameter, the primary being in one layer outside of the secondary.

The fourth form of induction-coil is shown in Fig. 8. Its primary consists of 3.048 meters of silk-covered copper wire .37 millimeter in diameter wound on a core 2.9 centimeters in diameter and inserted in a tube j'' of four centimeters external diameter, on which is wound the secondary of 27.432 meters of silk-covered copper wire .12 millimeter in diameter, the break at the middle of the secondary being over the middle of the primary.

Other forms of transformers which may be employed by me are described and claimed in my British Patent No. 7,777 of 1900.

The following tables give preferred adjustments, those details opposite any tune in the transmitting-station table being of course used in connection with those opposite the same tune in the receiving-station table:

Transmitting-Station.

Tune	Aerial conductor	Transformer d d'	Inductance number of turns of g included	Capacity microfarads c.	Length of spark in millimeters
No. 1	86.576 meters of cable	No. 1	None.	.000264	3
No. 2	do.	No. 1	45	.000260	4
No. 3	do.	No. 2	None.	.000112	3
No. 4	do.	No. 2	100	.000260	4
No. 5	Zinc cylinder 9.144 meters long, 1.828 meters in diameter, and bolted 3.048 meters above ground.	No. 2	None.	.000260	12.5
No. 6	30.48 meters of cable.	No. 3	None.	.000275	4

Receiving-Station.

Tune	Induction-coil	Capacity in microfarads of—		Inductance introduced in—	
		A.	A'	Number of turns	g'
No. 1.	No. 1.	Omitted.	Omitted.	None.	None.
No. 2.	No. 1.	Omitted.	.0004	45	None.
No. 3.	No. 2	.0046	Omitted.	Up to 27 may be in series.	None.
No. 4.	No. 2	.0048	Omitted.	100	2 coils of 15.24 meters at each end of secondary.
No. 5.	No. 3	Omitted.	Omitted.	None.	None.
No. 6	No. 4.	Omitted.	Omitted.	None.	None.

It will be observed that both the transmitter and the receiver are the same for tunes 1 and 2 and that when the capacity of the condenser c is varied the two stations can be brought into tune by including forty-five turns of each of the coils g and g' and by introducing a condenser k' of small capacity in parallel with the coherer T. Similarly the transmitter and receiver are the same for tunes 3 and 4, and when the capacity of c is varied the stations are tuned by including one hundred turns of each of the coils g and g' and by also including the coils g' .

While I have herein shown and described details of construction and of arrangement found by me to be useful, yet I do not wish to be understood as confining my claims thereto. Obviously modifications which are within my invention will readily suggest themselves to skilled persons.

What I claim is—

1. At a station employed in a wireless-tele-

graph system, a signaling instrument comprising an induction-coil, the secondary circuit of which includes a condenser discharging through a means which automatically causes oscillations of the desired frequency; an open circuit electrically connected with the oscillation-producer aforesaid and a variable inductance included in the open circuit, substantially as and for the purpose described.

2. At a station employed in a wireless-telegraph system, an oscillation-receiving conductor, a variable inductance connected with said conductor; a wave-responsive device electrically connected with said conductor and in circuit with a condenser, substantially as and for the purpose described.

3. At a station employed in a wireless-telegraph system, a signaling instrument comprising an induction-coil, the secondary circuit of which includes a condenser discharging through a means which automatically causes oscillations of the desired frequency, and the

primary circuit of which includes a generator; means for varying the primary circuit; an open circuit electrically connected with the oscillation-producer aforesaid, and a variable inductance included in the open circuit, substantially as and for the purpose described.

4. In a system of syntonic wireless telegraphy, a circuit so arranged as to form a persistent oscillator, a circuit so formed as to constitute a good radiator in inductive relation thereto, means for inducing in the oscillator-circuit electric undulations of a predetermined period, and means for attuning the natural period of vibration of each of said circuits to the period of the undulations so induced.

5. An element of an apparatus employed in a system of telegraphy by electric waves or oscillations of high frequency, comprising a conductor elevated at one end and connected to capacity at the other end, said conductor including a variable inductance and an element having appreciable capacity.

6. At a transmitting-station employed in a wireless-telegraph system, the combination of a transformer whose secondary is connected to an open circuit including a radiating-conductor at one end and capacity at the other end, and whose primary is connected to a condenser-circuit discharging through a means which automatically causes oscillations of the desired frequency, and means for adjusting the oscillation period of each of the two circuits connected with the transformer to bring them into accord with each other, substantially as described.

7. An element of an apparatus employed in a system of telegraphy by electric waves or oscillations of high frequency, comprising an open circuit so arranged as to constitute a radiator of such waves or oscillations, and means for varying at will the natural period of vibration of the said circuit.

8. At a transmitting-station employed in a wireless-telegraph system, the combination of a transformer whose secondary is connected to an open circuit including a radiating-conductor at one end and capacity at the other end, a variable inductance being included in said circuit, and whose primary is connected to a condenser-circuit discharging through a means which automatically causes oscillations of the desired frequency, substantially as described.

9. At a transmitting-station employed in a wireless-telegraph system, the combination of a transformer whose secondary is connected to an open circuit including a radiating-conductor at one end and capacity at the other end, a variable inductance being included in said circuit, and whose primary is connected in series with an adjustable condenser and with a means which automatically causes oscillations of the desired frequency, substantially as described.

10. A system of wireless telegraphy, in which the transmitting-station and the receiving-station each contains an oscillation-transformer, one circuit of which is an open circuit and the other a closed circuit, the two circuits at each station being in electrical resonance with each other and in electrical resonance with the circuits at the other station, substantially as described.

11. In apparatus for communicating electrical signals, the combination, with an oscillation-transformer, at a transmitting-station, of an induction-coil; an electric circuit containing the secondary of said coil, a condenser and the primary coil of the oscillation-transformer; a producer of electric waves of high frequency electrically connected with the secondary of the induction-coil; a signaling instrument in circuit with the primary of the induction-coil; the secondary coil of the oscillation-transformer electrically connected, at one end to capacity and, at the other end, to an inductance, and an aerial conductor connected to the inductance, substantially as and for the purpose described.

12. In apparatus for communicating electrical signals, the combination, with an oscillation-transformer, at a transmitting-station, of an induction-coil; an electric circuit containing the secondary of the said coil, a condenser and the primary coil of the oscillation-transformer; a producer of electric waves of high frequency connected with the secondary of the induction-coil; a signaling instrument in circuit with the primary of the induction-coil; the secondary coil of the oscillation-transformer electrically connected, at one end, to capacity and, at the other end, to a variable inductance, and an aerial conductor connected to the variable inductance, substantially as and for the purpose described.

13. At a receiving-station employed in a wireless-telegraph system, the combination of an oscillation-transformer, an open circuit connected with one coil of said transformer, said circuit including an oscillation-receiving conductor at one end and capacity at the other end, a variable inductance being included in said circuit, a wave-responsive device electrically connected with the other winding of the oscillation-transformer, and a condenser in circuit with the wave-responsive device, substantially as described.

14. At a receiving-station employed in a wireless-telegraph system, the combination of an oscillation-transformer, an open circuit connected with one coil of said transformer, said circuit including an oscillation-receiving conductor at one end and capacity at the other end, a wave-responsive device electrically connected with the other winding of the oscillation-transformer, and means for adjusting the two transformer-circuits in electrical resonance with each other, substantially as described.

15. At a receiving-station employed in a wireless-telegraph system, the combination of an oscillation-transformer, an open circuit connected with one coil of said transformer, said circuit including an oscillation-receiving conductor at one end and capacity at the other end, a condenser located in said circuit between the coil and the capacity, a wave-responsive device electrically connected with the other winding of the oscillation-transformer, and means for adjusting the two transformer-circuits in electrical resonance with each other, substantially as described.

16. At a receiving-station employed in a wireless-telegraph system, the combination of an oscillation-transformer, an open circuit connected with one coil of said transformer, said circuit including an oscillation-receiving conductor at one end and capacity at the other end, an adjustable condenser in a shunt connected with the open circuit and around said transformer-coil, a wave-responsive device electrically connected with the other coil of the oscillation-transformer, and means for adjusting the two transformer-circuits in electrical resonance with each other, substantially as described.

17. At a receiving-station employed in a wireless-telegraph system, the combination of an oscillation-transformer, an open circuit connected with one coil of said transformer, said circuit including an oscillation-receiving conductor at one end and capacity at the other end, a wave-responsive device electrically connected with the other winding of the oscillation-transformer, and means included in each of said transformer-circuits, for adjusting said circuits in electrical resonance with each other, substantially as described.

18. At a receiving-station employed in a wireless-telegraph system, the combination of an oscillation-transformer, an open circuit connected with one coil of said transformer, said circuit including an oscillation-receiving con-

ductor at one end, and capacity at the other end, a variable inductance being included in said open circuit, a wave-responsive device electrically connected with the other winding of the oscillation-transformer, and a variable inductance included in circuit with the wave-responsive device, substantially as described.

19. In a system of wireless telegraphy, the combination at a receiving-station, of an oscillation-transformer; an open circuit comprising, in part, an aerial conductor connected with one end of the primary coil of the oscillation-transformer; a connection from the other end of said coil to capacity; a variable inductance in said open circuit; and electrical connections from the secondary coil of the oscillation-transformer to a receiving instrument, battery, condenser, wave-responsive device and a variable inductance, substantially as and for the purpose described.

20. In a system of wireless telegraphy, a transmitting-station containing an oscillation-transformer, the primary of which is connected to a condenser-circuit discharging through a spark-gap which automatically causes electric waves of the desired frequency, the secondary of said transformer connected to an open circuit including a radiating-conductor, and with a capacity and a coil for charging the condenser aforesaid; a receiving-station containing an oscillation-transformer, the primary of which is connected with an oscillation-receiving conductor and with a capacity, a wave-responsive device connected with the secondary of said transformer, and a receiving instrument connected with the wave-responsive device, all in combination with means for bringing the four transformer-circuits, two at each station, into electrical resonance with each other, substantially as described.

GUGLIELMO MARCONI

Witnesses:

R. B. RANSFORD,
G. F. WARREN.

- 21 *Affidavit of John Bottomley to be used in a Suit in Equity About to be Brought in the United States District Court for the Southern District of New York by the Marconi Wireless Telegraph Company of America Against Emil J. Simon for Infringement of Marconi Patent No. 763,772.*

STATE OF NEW YORK,
County of New York, ss:

John Bottomley, being duly sworn, deposes and says:

I am of lawful age and live in the Borough of Manhattan, City and State of New York. I am Vice-President, Treasurer and Secretary of Marconi Wireless Telegraph Company of America, which company was incorporated under the laws of the State of New Jersey and began active business in the year 1902. I have been connected with the said Company since then.

The Marconi Company has been and now is a public utility corporation engaged in making, selling and leasing wireless telegraph or radio apparatus employing the inventions of various Letters Patent owned by it and is engaged in operating said apparatus for the purpose of transmitting wireless telegraph messages for the public.

The organizers of the Marconi Company realized at the time of its incorporation and organization, that there was a wide field opening in the practical utilization and commercial development of a system of communication by wireless or radio telegraphy and at or about the time the Company was organized an investigation was made into the question of what inventions or discoveries had been made or patented which were believed to be essential for the success of transmitting messages by wireless telegraphy. It was found that Guglielmo Marconi, at an early date, had made inventions which were believed to be of commercial importance in the art of wireless telegraphic operations and believed to be the first inventions capable of putting such system of transmitting telegraphic messages upon a practical and commercial basis. Finding that Mr. Marconi's inventions were fundamental and controlling and that they underlay the future of such a commercial telegraphic system, the Marconi Company was organized for the purpose, among others, of purchasing and acquiring those inventions, of making and supplying apparatus relating to wireless communications embodying those inventions, and to construct, equip, establish, maintain and operate a system of communication by wireless telegraphy embodying and employing those inventions. Consequently, the Marconi Company, at great expense, became the owner of a number of United States Letters Patent, issued to Mr. Marconi relating to wireless telegraphy and acquired the right to the use of his future inventions relating to this art. Among the important and fundamental patents which the Company acquired and became owner of, is the patent in suit No. 763,772, dated June 28, 1904. The Company became the owner of this patent on or about March 16, 1905, and has been since then and

now is the owner of said patent and all claims for damage and profits for the infringement thereof. The Marconi Company entered actively into the business of establishing, operating and maintaining a system of wireless or radio telegraphy employing Mr. Marconi's

23 inventions and relying upon the protection which it believed it was entitled to by reason of the ownership of these inventions, including the Marconi patent in suit No. 763,772, continued to establish and maintain said wireless telegraph system.

For the purpose of maintaining and operating its said wireless telegraph or radio system, the Marconi Company has constructed and established wireless telegraph land stations in the United States and its territories and upon sea-going vessels and vessels upon the Great Lakes. It has equipped and maintained and is now equipping and maintaining a large number of ship stations and more than fifty land stations with wireless telegraph apparatus, all embodying the inventions described and claimed in the said Marconi patent, and is operating and conducting the said stations in its wireless telegraph business. The Company has granted a number of licenses to manufacture, sell and use the invention of the patent in suit No. 763,772. Among these licensees are the National Electric Supply Company of Washington, D. C., and the National Electric Signaling Company of Pittsburgh, Pa.

Our Company has a large plant and factory fully equipped for the manufacture of wireless telegraph or radio apparatus embodying the invention of the said Marconi patent and is prepared to supply the same for use on both land and sea, and it is now and has been for a long time past fully able to promptly supply all demands, private, public also Governmental for such apparatus, including that of the patent in suit. In developing, establishing and maintaining its said wireless telegraph system and largely in reliance upon Mr. Marconi's inventions, including the Marconi patent in suit No. 763,772, the Company has made investments to the extent of many thousands of dollars, and many thousand dollars has been

24 invested by our licensees for the purpose of supplying the demand for wireless telegraph apparatus. The remarkable and beneficial results produced by the Marconi system of wireless telegraphy and the great commercial value obtained by the utilization of Mr. Marconi's inventions in a system of wireless communication by wireless telegraphy and the rapid growth of the wireless telegraph system, principally through the efforts of the Marconi Company and its associates, acting under Mr. Marconi's inventions, are matters of every day history known to everyone throughout the world.

In May, 1911, a suit was brought in the United States Circuit Court for the Southern District of New York against the United Wireless Telegraph Company and Clyde Steamship Company for the infringement of the patent in suit, Number 763,772. The defendants appeared and filed an answer in said suit and issue was joined upon said answer. Thereafter various proceedings were had and the case was called for trial in open court in March, 1912, and the defendants submitted to a decree on March 25, 1912, upholding

the validity of the patent in suit and adjudging said defendants had infringed the same.

In May, 1912, suits were brought by the Marconi Company in the Eastern District of New York against the National Electric Signaling Company for the infringement of the Marconi and Lodge patents in suit. These suits were begun because the National Company had emerged from an experimental company into one doing commercial business and had recently installed apparatus on ships on Long Island Sound to operate in connection with several land stations. These suits were tried before Judge Veeder and were

vigorously contested by the defendant. On March 17, 1914, Judge Veeder filed an opinion, reported in 213 F. R., at page 815, sustaining the validity of the Lodge patent as to claims 1, 2 and 5, and of the Marconi patent as to claim- 1, 2, 3, 6, 8, 10, 11, 12, 13, 14, 16, 17, 18, 19 and 20. He also found that the defendant had infringed these claims and the decree was entered April 6, 1914, sustaining said claims and holding that the defendant had infringed the same and I annex hereto a copy of the decree sustaining the said claims of the Marconi patent. (Marked Bottomley, Exhibit A.)

In April, 1914, a suit was brought by the Marconi Company in the Eastern District of New York against the Atlantic Communication Company and others upon the patents here in suit. The defendants in that suit were engaged in using and selling wireless telegraph apparatus in infringement of the patents in suit and upon affidavits and papers filed on behalf of both parties and after hearing counsel for both parties upon the merits, Judge Veeder granted a motion for preliminary injunction to restrain the defendants in that suit from infringing upon claims 1, 2 and 5 of the said Lodge patent and of claims 1, 2, 3, 6, 8, 10, 12, 13, 14, 16, 17, 18 and 20 of the said Marconi patent. I annex hereto a copy of the said order. (Marked Bottomley, Exhibit B.)

In October, 1914, a suit was brought by the Marconi Company in the Southern District of New York against the De Forest Radio Telephone and Telegraph Company, Standard Oil Company of New York and Lee De Forest, upon the Lodge and Marconi patents here in suit. The defendant, De Forest Company, in that suit, was the manufacturer of the apparatus complained of and the defendant,

Standard Oil Company, was the user of such apparatus on its steamships. Upon affidavits and papers filed on behalf of both parties and after hearing counsel for both parties upon the merits, Judge Hough granted a preliminary injunction restraining all of the defendants from infringement upon claims 1, 2 and 5 of the said Lodge patent and claims 1, 2, 6, 8, 10, 11, 12, 13, 14, 17, 18, 19 and 20 of the said Marconi patent. I annex hereto a copy of Judge Hough's opinion granting the injunction (marked Bottomley, Exhibit C). Also a copy of the order entered in that case ordering an injunction (marked Bottomley, Exhibit D). Subsequently the defendants moved the Court for an order suspending the injunction so far as certain ships that had already been equipped were concerned, also for an order vacating the injunction. I annex

hereto a copy of Judge Hough's opinion denying the said motions (marked Bottomley, Exhibit G), also copies of two orders entered December 9, 1914, denying defendant's motions to suspend and vacate the said injunction (marked Bottomley, Exhibit E). Thereafter the defendants appealed to the United States Circuit Court of Appeals for the Second Circuit from the order granting the injunction and from the order continuing the said injunction and denying the motion to vacate. The Circuit Court of Appeals in an opinion filed May 12, 1915, affirmed Judge Hough in granting the preliminary injunction and in refusing to vacate the same. I annex hereto a copy of the said opinion of the Circuit Court of Appeals (marked Bottomley, Exhibit F).

The Marconi Company, in endeavoring to protect its patent rights to the patents in suit, particularly its rights and those of its licensees to and under the Marconi patent No. 763,772, has expended large sums of money. But notwithstanding the fact that its rights
27 under the said Marconi patent No. 763,772 have been sustained and the public generally have acquiesced in its rights, individual infringers of little or no financial responsibility have sprung up from time to time, and begun offering and contracting to sell and supply wireless telegraph or radio apparatus which are infringements of the patent in suit. Among such infringers is the defendant, Emil J. Simon, who I am informed and believe is a resident of the County of New York or Westchester County, and who has an office and a regular and established place of business, from which he conducts his infringing business hereinafter referred to, in the County of New York. Within the past few months, as I am informed and believe, he began to offer to sell and supply wireless telegraph apparatus which infringes upon the patent in suit, No. 763,772. I am informed and believe that he has offered to sell and supply such apparatus to the United States Government and to other users of wireless telegraph apparatus.

I am informed and believe that the defendant Simon has recently offered to sell and supply the Navy Department of the United States with 25½ k. w. radio sets for ship installations, employing the inventions of the patent in suit, at a price of about \$30,000.00, and was awarded the contract therefor. He was able to secure this award because he underbid and offered to supply the apparatus at a considerably lower price than that of our licensees the National Electric Supply Company and the National Electric Signaling Company, both of whom were bidders on this contract. Our licensees have therefore called upon us to protect them against unlicensed competition, since he has prevented either of these companies from securing the contract.

Furthermore, the fact that the wireless apparatus manu-
28 factured by our company and also by our licensees, the National Electric Signaling Company and the National Electric Supply Company, is efficient and suitable for the needs of the Government, is proven by the fact that all these companies have in the past manufactured and sold large quantities of wireless apparatus embodying the invention of the Marconi patent not only to the

Navy Department but to other Governmental Departments such as the Signal Corps. Our Company alone has since January 1, 1912, sold over \$264,700.00 worth of apparatus to the Government.

Therefore this contract was awarded to Simon, the defendant, not because he offered superior apparatus, but solely because he offered to supply the apparatus called for in the bid for a lower price.

I verily believe that the defendant, Simon, owns no important patents covering such apparatus, nor is he operating under any recognized wireless system which he owns or is licensed to use, but is pirating upon the plaintiff's apparatus patented under the patent in suit. Moreover, I am informed and believe that the said defendant, Simon, has no plant or factory, and is of little or no financial responsibility, and will be unable to personally pay any profits or damages awarded against him by reason of his infringement of the patent in suit.

Moreover, as I am informed and believe, although the defendant Simon has offered to sell apparatus which infringes the patent in suit to ordinary commercial users, he is devoting particular attention to offering and supplying the said infringing apparatus to the United States under the impression that the Courts will not or can not stop him, and under the belief that as he personally is of little or no financial responsibility, he therefore will be able to continue his piracy of the inventions of the patent in suit unmolested and without fear of having to respond in damages. Even if the Plaintiff could recover from the defendant his personal profits secured from his infringement and the damages sustained by the Marconi Company by reason of his infringement, and in addition, damages caused by the Government, such recovery would not be adequate compensation for injury and loss sustained by the plaintiff for past infringements, nor protect nor guard the plaintiff's patented rights against future similar infringements or compensate it therefor. It would take a multiplicity of suits and the expenditure of large sums of money even to secure judgment or decrees for the profits and damages. I verily believe that the defendant Simon in seeking to supply the Government with infringing apparatus is aware of, and is relying upon this situation.

Furthermore, the acts of the defendant in his infringement of the Marconi patent in suit, will lead to the belief, unless restrained by the Courts, that his infringing apparatus, and particularly the sale of it to the Government, has so far received the approval of the Court, that the Court can not or will not interfere to enjoin its manufacture or sale. This will induce other persons and corporations who desire to make or use the patented apparatus, but who are not willing to recognize the rights of the plaintiff, to believe that if unlicensed apparatus is manufactured for, or to be sold to, the Government, they can not be molested. The defendant's infringement, and particularly by supplying the Government with infringing apparatus therefore is a perpetual inducement and encouragement to other manufacturers of this class of apparatus to likewise infringe, and constantly results in extending the injury to our Company's patented rights and the range of litigation.

Nothing can possibly tend to the immediate and irreparable injury to such patented rights more than an infringement which it is believed the Court will not or can not enjoin, and an infringement being continued and unrestrained, tends to destroy, in the mind of the public, the exclusive rights which the Marconi patent grants, and is, therefore, in the highest degree, irreparable. Although the loss that will thus be sustained by the plaintiff is manifest, the amount of damages or profits in each case against the manufacturer, seller or contractor, and in cases against the Government is so difficult to prove that it is impracticable to prosecute suits against all of such infringers through a trial and accounting proceedings, to establish the loss. The very multiplicity of these infringements will prevent the bringing of suits against all of them by reason of the enormous expense involved, let alone the fact that no adequate remedy at law is possible, on account of the inability to secure an adequate compensation in the way of profits or damages arising from infringements, even if the infringing manufacturer, seller or contractor was able to pay his part of the damages or profits.

The defendant, Simon's, infringement therefore, is seriously interfering with and irreparably injuring the plaintiff's business and that of its licenses under the patent in suit. This interference and injury can only be stopped by, and the only adequate relief the plaintiff can obtain is, an immediate injunction against the defendant.

The Marconi Company, therefore, respectfully requests the Court to protect its rights under the Marconi patent in suit and its
31 existing business interests which have grown up under this patent, as well as its future business thereunder, by immediately enjoining and restraining all of defendant's infringing acts.

JOHN BOTTOMLEY.

Sworn to before me this 22nd day of September, 1915.

WALTER S. JONES,

[SEAL.]

Notary Public, New York Co.

Affidavit of John W. Peters to be Used in Suit in Equity About to be Brought in the United States District Court for the Southern District of New York by Marconi Wireless Telegraph Company of America vs. Emil J. Simon, for Infringement of United States Letters Patent to Marconi No. 763,772.

STATE OF NEW YORK,

County of New York, ss:

John W. Peters, being duly sworn, deposes and says: I am a member of the firm of Sheffield & Betts, solicitor for Marconi Wireless Telegraph Company of America, and am familiar with the proceedings had in all suits heretofore brought by that company for the infringement of said Marconi Patent No. 763,772.

I have read the affidavit of John Bottomley herein, and the facts stated in the said affidavit by Mr. Bottomley regarding decisions by

the United States Courts sustaining the validity of the said
 32 Marconi Patent No. 763,772 are correct. This patent has
 not only been sustained and held valid by the United States
 Courts, but the corresponding foreign patents in France and Great
 Britain have also been sustained and held to be good and valid at
 final hearing. I annex hereto a copy of a decision by Mr. Justice
 Parker, sitting in the High Court of Justice of Great Britain, in
 Marconi et als. v. British Radio Telegraph & Telegraph Company,
 sustaining the corresponding British Patent No. 7,777 of 1900.
 This decision is reported in 28 Reports of Patent Cases, p. 481.
 I also annex hereto a decision by Mr. Justice Eve, Royal Courts of
 Justice of Great Britain, in Marconi et al. v. Helsby Wireless Tele-
 graph Company, Limited, sustaining and holding valid the same
 British Patent No. 7,777. This decision is reported in Weekly
 Notes, August 1, 1914, at p. 347. The corresponding French
 Patent, No. 305,060, has been held valid and infringed by the
 French Court, the Civil Tribunal of the Seine, and I annex hereto
 what I am informed and believe is a correct copy of the decision of
 that Court holding the said patent valid and infringed.

JOHN W. PETERS.

Sworn to before me this 22nd day of September, 1915.

WALTER S. JONES,

[SEAL.] Notary Public, New York County.

33 *Affidavit of Richard A. Ford for use in a Suit in Equity
 About to be Brought in the United States District Court
 in the Eastern District of New York by Marconi Wire-
 less Telegraph Company of America Against Emil J.
 Simon for Infringement of Marconi Letters Patent of the
 United States No. 763,772.*

DISTRICT OF COLUMBIA, ss:

Richard A. Ford, being duly sworn, deposes and says:

I reside in the District of Columbia, and am an attorney at law
 having an office in the Union Trust Building, Washington, D. C.
 For several years I have represented the Marconi Wireless Telegraph
 Company of America in connection with matters before the United
 States Navy Department in which the Company was interested.

From an examination which I have made of the records at the
 Bureau of Supplies and Accounts, I find that Emil J. Simon of the
 Flatiron Building, Borough of Manhattan, New York City, and
 whom I am informed and believe is the defendant herein was on or
 about the 23rd day of August, 1915, awarded a contract by the Navy
 Department of the United States, to supply it with 25½ k. w. radio
 transmitting sets for ship installation, without receiving apparatus,
 under Schedule 8121, Class 1, of the said Navy Department, and
 upon a bid made by the said Simon dated on or about June 21, 1915,
 I annex hereto a full and correct copy of said Schedule 8121,

34 said bid of the defendant Simon, and a typewritten statement of the Navy Department and certain letters attached to said bid. I compared this copy of the schedule, bid letters and statement with the originals on file in the Bureau of Supplies and Accounts in the Navy Department. Certified copies can not be obtained until the papers are sent to the Returns Office of the Interior Department, and they are not sent to that office until the contract is executed by all parties.

On the 18th day of September, 1915, I find upon inquiry at the Bureau of Supplies and Accounts of the Navy Department of the United States that the contract between the said Emil J. Simon and the Navy Department under the said schedule and bid had been forwarded to the said Simon September 4, 1915, but has not yet been returned executed by said Simon, so that the contract has not yet been completed, though as stated above, the award has been made to him.

RICHARD A. FORD.

Sworn and subscribed to this 20th day of September, 1915.

CHARLES G. ALLEN,

Notary Public in and for the District of Columbia.

My commission expires Nov. 4, 1917.

35

SCHEDULE 8121.

(Radio Transmitting Sets.) Original. } Indicate which
Duplicate. } by erasure.

Send this proposal, in duplicate, accompanied by Form A, properly executed, to Navy Department, Bureau of Supplies and Accounts, Washington, D. C.

Steam Engineering.

Bid for Supplies for the U. S. Navy, to be Opened at 10 a. m., June 1, 1915.

Bid of Emil J. Simon, Flat Iron Bldg., No. 949 Broadway, New York, N. Y.

No. of Item.	Articles.	Unit price, Dollars Cents.	Total, Dollars Cents.
Class 1.—(Bu. Req'n 233, G. A. A., Naval Supply Account, S. E.—Sch. 8121.)			
		Holtzer Cabot.	Crocker- Wheeler.
	On a basis of 20 sets each.....	\$1.100 00	\$1,136 00
	On a basis of 15 sets each.....	1.250 00	1,286 00
	On a basis of 10 sets each.....	1.400 00	1,436 00
	On a basis of 5 (or less) each.....	1.550 00	1,586 00

To be delivered at the navy yard, Brooklyn, N. Y.; deliveries to begin within 75 days and be completed within 120 days after date of contract or bureau order

On a basis of 25 only
Crocker
Wheeler Machines:

If unable to make delivery within the time specified, state the actual time required. Alternate bids with a greater time for delivery may be submitted and will be considered, but the bureau reserves the right to make award on time stated above.

1,036 00 25,900 00

Stock classification No. 16.

Holtzer Cabot Machines:

1	25 1/2-K. W. radio transmitting sets for ship installation, without receiving apparatus, per set...	1,000 00	25,000 00
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The following spare parts shall be provided for each transmitter:

	Holtzer Cabot.	Crocker-Wheeler.
(a) One spare armature complete for motor generator, for lot.....	1,290 00	1,710 00
(b) One spare field coil, each, for motor and alternator, for lot.....	100 00	330 00
(c) Three sets brushes for each machine, for lot	66 00	150 00
(d) One complete set of condenser units, for lot	800 00	800 00
(e) Sufficient parts to give two complete gap units. (For sparking surfaces except gaskets), for lot.....	250 00	250 00
(f) Six complete sets spark-gap gaskets, for lot.....	75 00	75 00
(g) One set of tools, for lot.....	250 00	250 00
(h) Two sets of spare key contacts, for lot.....	30 00	30 00
(i) One spark-gap testing rod, for lot.....	25 00	25 00
(j) Five spare sets of fuses, for lot.....	30 00	30 00
(k) Folder of instructions as specified below, for lot	100 00	100 00

36 All the above spare parts to be inclosed in a fitted container, suitably marked. See "Specifications 17A3a," issued by the Navy Department Sept. 1, 1914, copies of which can be obtained upon application to the Navy pay office, New York, N. Y., or to the Bureau of Supplies and Accounts.

(l) 5 spare transmitter transformers, each.....	70 00	350 00
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In addition to the spares supplies for each set there shall be included as spares for the entire delivery, and not included as part of any one set, 5 spare transmitter transformers. (Item "l" above.)

Spare parts to be itemized and separately priced, and not to be included in the price of the radio transmitting sets.

Total Class 1.....	28,366 00	30,000 00
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With Holtzer Cabot Motor Generators.	With Crocker-Wheeler Motor Generators.
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Specifications.

Bids will be considered on radio sets differing in detail from those specified if complete specifications and drawings are submitted and if, in the opinion of the Government, the radio sets will give equal service to those specified.

1. Each transmitter shall include the following apparatus mounted as a unit on a panel of approved insulating material or on a skeleton metal frame: (a) Motor generator; (b) automatic starter; (c) direct-current fused-line switch; (d) alternating-current fused-line switch, or single-pole, 500-cycle, circuit breaker; (e) generator field rheostat; (f) protective devices for direct-current and alternating-current circuits; (g) voltmeter for direct-current and alternating-current, with 2-point switch; (h) alternating-current wattmeter;

(i) 500-cycle transmitter transformer; (j) quenched-park gap with cooling apparatus (this gap to contain at least enough units to provide for 40 per cent overload; this number of units constitutes one set of gap units); (k) transmitting condenser: (1) inductively coupled oscillation transformer; (m) antenna loading coils; (n) one 10-ampere Hartmann & Braun or Roller-Smith unshunted ammeter; (o) the panel to contain suitable terminals or binding posts for connecting loading coil to antenna, for connecting ground lead to panel, for connecting leads from telegraph key to panel, and binding posts or suitable connections for any other wires or leads necessary for satisfactory installation and operation of the set.

2. There shall also be supplied (a) one telegraph key with 5-foot leads, having terminals suitable for connection with the panel; (b) connecting leads for five-wave lengths for the oscillating and antenna circuits; (c) sufficient short-circuiting clips so that any number of gaps—from one to the full number—can be put in circuit.

3. An antenna switch for changing from sending to receiving shall be supplied, which shall accomplish the following: In the sending position the switch must disconnect both sides of the detector and short-circuit the detector and disconnect the receiver from the antenna. In the receiving position the switch must open both the armature and field of the generator and disconnect the transmitter from the antenna. This switch can be built into the panel described above or it can be constructed as a separate piece of apparatus.

4. No break-key system is to be supplied.

87153—15.

5. The transmitter shall be adapted to quick and convenient adjustment to any one of five wave lengths within the range of 275 to 1,200 meters when used with an antenna of 0.0006 mfd. capacity and 240 meters natural wave length. A construction allowing of simultaneous change of open and closed circuits and coupling is desired.

6. The motor generator shall operate satisfactorily on direct-current supply of from 110 to 120 volts, and have a speed regulation of at least as good as 8 to 10 per cent, and shall deliver 500-cycle A. C., and not more than 260 volts on full field with armature open

37 circuit. Preference will be given to motor generators of lowest speeds. A speed of 2,500 r. p. m. is considered the limit of allowable speed. Freedom from vibration and quiet operation are essential. The design of the motor generator must allow of easy removal from the panel and installation at a distance, if desired.

7. Sets shall be rated in terms of transformer input. The overall efficiency of the transmitter, i. e., watts in the antenna to motor in-put at 950-meter waves length to be not less than 25 per cent. The set shall have an overload capacity of 40 per cent. for one minute, key locked, without sparking, brushing, or injurious heating.

8. The design of the 500-cycle power circuit shall be such that a pure note (one discharge of condenser per alternation) can be maintained when (a) the line voltage is varied from 105 to 125 volts and the generator field rheostat is unchanged, (b) the open circuit gen-

erator voltage is varied 7 per cent either way of the mean value; (c) the power is varied from 50 to 700 watts with appropriate number of gaps in use. The variation of gap discharge voltage due to heating (fifteen minutes, key locked, at full power) shall be less than will cause the note to break. Spark gaps with silver sparking surfaces are required. After four hours' full power key locked operation followed by four hours' intermittent operation for five minutes' periods, with cooling apparatus operating continuously, each gap unit shall show at least 10 per cent untarnished silver surface. The thickness of the silver plating and its method of attachment to the body of the gap unit shall be specifically stated in the bid. Electrolytically deposited silver will not be accepted.

9. The primary capacity shall be 0.004 mfd.

10. The synchronous impedance of the generator shall be not less than 12 nor more than 13 ohms. The requirement of 0.004 mfd., as given in the preceding paragraph, will not be waived, but if the contractor believes that special advantages can be obtained by using transformers and generators having different characteristics than given above, he can submit special proposals, but these changes will not be accepted unless specifically and definitely authorized.

11. Special tests:

(a) Motor generator.—The motor generator shall be capable of running at 60 per cent above the rated speed without injury, the generator terminals being open-circuited. The insulation shall withstand 1,000 volts, 500-cycle potential, for one-half hour to ground and between all windings. Test to be made when hot. (After test specified in paragraph 8.)

(b) Power transformer.—The secondary of the transformer shall be tested at double operating voltage at 500 cycles for one-half hour between secondary terminals, between the secondary and the primary, and between the secondary and the core or frame. In these tests a suitable resonance transformer will be used as a source of potential, and maximum voltage will be measured with sphere gap. Occasional discharges incident to setting of sphere gap causing damped oscillations of not less than 300 meters wave length shall not injure the insulation. The primary shall be tested at twice the operating full load voltage at 500 cycles for one-half hour with the secondary open circuited. The primary shall be tested at 1,200 volts, 500 cycles, for one-half hour between primary and core or frame. The above test to be made while the transformer is hot.

(c) The primary of the oscillating circuit.—The primary of the oscillating circuit must stand the following tests, which are similar to conditions that may frequently be encountered in actual service when tuning or adjusting sets. The test will be as follows:

First. A sufficient number of spark gap units will be put in circuit to give 40 per cent overload when the set is properly tuned to the antenna for any wave length from 300 to 1,200 meters.

Second. The secondary or antenna circuit will be disconnected.

Third. The generator voltage will be adjusted so that the wattmeter indicates 400 watts. Under these conditions the primary cir-

cuit shall show no brushing or sparking. The condenser shall not be injured by one minute, key-locked operation.

(d) The antenna circuit.—The antenna circuit shall show no injurious heating when set is operated at any wave length, from 300 to 1,200 meters, with 10 amperes in the antenna.

38 (e) The complete set.—The transmitter circuit supplied with each set when adjusted to a dummy antenna of 0.0006 mfd. and 4 ohms resistance shall be capable of continuous operation at twenty words per minute without any sparking or breakdown or injurious strains on any part of the apparatus at full rated output throughout the entire range of wave length specified and including conditions of humidity of 90 per cent saturation at 110° F. for 16 hours previous to test. The full rated output to be measured when the key is held depressed. During the test described above no part of the apparatus shall show faulty operation, loss of power, defects, or injurious strain, and the temperature rise at any part at the conclusion of said test shall not exceed 50° C.

12. Approved insulating materials for the high-frequency circuits of $\frac{1}{2}$ K. W. sets are (a) bakelite dielectro, preferably black; (b) porcelain, finest quality wet process; if used for small insulators in such a manner that they are not liable to breakage in ordinary use; (c) electrose, grades 7B and 7 BY, which are red in color, grade G34K and No. 1, which are brown in color, and grades Nos. 2, 22, and 222, which are black in color; (d) fibre or similar material for screws, washers, etc.; (e) ordinary No. 213 micarta, natural color black, is approved for use only where sparking or creepage can not occur across the grain and where possible swelling can not affect the proper functioning of parts; (f) condensite is approved for use only between the parts of low electrostatic capacity.

13. All carbon brushes to be indelibly marked with the brush manufacturer's name and brush number in such a manner that it will not become removed during the ordinary life of the brush.

14. Vandykes:

(a) The contractor shall supply with the first delivery of the outfit, in addition to the blue prints, etc., furnished with his bid, a complete set of right-reading vandykes, giving directions and showing over-all dimensions, location of terminals, details, diagram of elementary and actual connections of the appliances, with values of resistance, inductance, and capacities, and directions on all points necessary and desirable in the installation, adjustment, and operation of motor generator, transmitter, spark gap, receiver, antenna, panels, and other accessories, and for maintaining resonance under various conditions of operation on wave lengths of from 300 to 1,200 meters.

(b) There shall also be supplied a list of all appliances comprising the complete outfit, giving the manufacturer's proper title, size, type, etc., weight, and price of each item that might be required as a spare or renewal.

(c) All instructions and all prints, where practicable, to be on sheets corresponding in size and arranged for punching and filing with the standard "A" size sheets of the machinery division, navy yard, New York, N. Y. Samples of these sheets can be obtained on

application to the Engineer officer, navy yard, New York, N. Y. All curves of calibration, etc., should be on sheets similar to Form 145 or 146, which are identical in size with standard "A" size sheets. Samples of these sheets can also be obtained on application to the Engineer officer, navy yard, N. Y. Prints of such nature that it is not practical to furnish on "A" size sheets shall be furnished on "AA" or "F" standard size sheets of the navy yard, New York, N. Y. The exact dimensions of these sheets can be obtained on request. All vandykes shall be white-line prints on thin paper with suitable white blank space in the lower left-hand corner for Navy Department drawing file numbers. For the "A" size sheet this space shall be at least $\frac{3}{8}$ by $1\frac{1}{2}$ inches. All sheets to be marked to indicate the number of the requisition and the contract to which they apply, and to be given a reference number by which they can be identified by the contractor at any later date.

(d) No transmitting set will be considered complete unless the contractor supplies vandykes of working drawings of all parts that may have to be replaced due to ordinary wear, such as all contacts, motor-generator brushes, bearings, spark-gap plates, gaskets, etc. In addition the contractor must agree to supply, within three days after request, vandykes of working drawings of any other part or parts that may break down or prove defective in service, so that such parts can be repaired or replaced by the Government, if it is considered to the advantage of the Government to do so.

39 (e) These drawings shall be checked to ensure accuracy as representing the actual delivery as accepted and as a part of the inspection of the outfit.

15. The following sections of "Specifications 16R1," issued by the Navy Department January 10, 1913, copies of which can be obtained upon application to the Navy pay office, New York, N. Y., or to the Bureau of Supplies and Accounts, shall be complied with: Paragraph 5C, from (a) to (i); 5C(j) need not be complied with unless the contractor desires; 5H, all except sections 5H(b); 6(g); 28, sections (a), (f), (k), and (n); 30, 32, 33, 35, 36, 37 and 38.

16. The design of the transmitter shall be specially adapted to installation on submarines, light vessels, and other small craft where only restricted space is available. Light weight, compactness, and convenience of operation without sacrifice of strength, durability, or efficiency will be controlling factors in estimating the perfection of design, except as regards the motor-generator. In the motor-generator these considerations, though important, are secondary to low speed, sturdy construction, freedom from vibration and heating, high overload capacity, and quiet operation. Especial effort should be made to reduce as far as possible the following dimensions, viz: Overall height of panel; depth of panel from rear face of farthest projecting apparatus on back of panel to rear surface of panel itself. The dimensions of assembled units must admit of passage through elliptical hatches having a major axis of 27 inches and minor axis of 20 inches.

17. Each transmitter panel shall bear a name plate inscribed as follows:

U. S. Navy.

$\frac{1}{2}$ k. w. Panel Radio Set.

Type —. Serial No. —.

Rek.— Contract—. Date—.

Made by —.

18. Only those bidders will be considered who, prior to the time fixed for opening the bids, shall have delivered one complete sample set of apparatus as offered in bid on this schedule for inspection and test at the Radio Laboratory, Navy Yard, Brooklyn, N. Y. All expenses for transportation of sample apparatus to and from place of test must be borne by the owner of the apparatus, and the owner shall assume all risk of damage to sample apparatus

[8121]

that may result from its submission to any tests indicated herein or such other reasonable tests as may be required. Unless specifically objected to by the bidder in his bid the Government shall have the right to purchase at its option any of the sample sets submitted which meets the minimum requirements of these specifications at a price not exceeding the highest unit price to be paid under the award on these bids and not exceeding the unit price at which sets conforming to said sample are offered.

19. In making the award consideration will be given to difference in value as indicated by differences in the sample sets submitted; and of all such comparative values the Bureau of Steam Engineering shall be sole judge. In general, only such features will be considered as bear directly upon the purposes for which this apparatus is desired, such as durability, compactness, weight, ease of manipulation, completeness, efficiency, finish, and workmanship. Time of delivery will also be a factor in the award, but no proposition entailing redesign or affecting features not actually embodied in the sample sets will be considered.

20. Bidders shall submit with their proposals a full description, in duplicate, of the apparatus offered, including weights of each essential part. This description may be supplied at the time of delivery of the sample set, if so desired, in which case it is to be sent direct to the Bureau of Steam Engineering and a reference to, or copy of the same, embodied in the bid.

Delivery to be made at the navy yard, Brooklyn, N. Y. Deliveries to begin within 75 days after the date of contract and to be completed within 120 days after date of contract. Bidders will state the exact schedule of deliveries guaranteed. Liquidated damages to be calculated at the rate of \$3 per day per set for each set not delivered complete, including requirements of paragraph 14,

at expiration of contract period. (This clause supersedes the provision for liquidated damages specified in Form A.)

Inspection to be made at point of delivery.

[8121]

40 For 25 radio sets with Crocker-Wheeler motor generators at \$30,000 contractor to have the privilege of supplying Weston radiation ammeter if he desires at a reduction of \$5.00 per set.

Award is made on the following conditions: (a) Each and every set shall comply with the specifications and be of satisfactory workmanship throughout. (b) Each set shall have none of the defects of the sample set submitted to the Navy Yard, New York, and which the contractor was notified by the Industrial Manager of that Yard, would, to be satisfactory, have to be changed as follows:

(1) The insert for the insulators for the primary switch should be led into the insulators only enough for mechanical strength.

(2) The sleeve extension should be lengthened a sufficient amount to allow for change (1) above.

(3) The washer at the center of the primary switch should be reduced at least $\frac{1}{8}$ in diameter.

(4) The balls on the primary switch stud should be reduced in diameter. All of the above changes are required to obtain proper safety factor in the primary circuit.

(5) The oscillation transformer guides should have .005" more clearance.

(6) The spark gap clips should be made so that all parts are riveted together and not dependent on solder alone.

(7) The spark gap gaskets should be of fish paper as submitted, except that these gaskets should be impregnated with bees wax or similar material and the surface wiped off.

41 (8) The wave changer switch arms should be pinned or keyed on to the gears so that no shift of relative positions is possible.

(9) Terminal board on the back of front panel to be strengthened with iron strip to prevent injury in handling.

(10) The generator field rheostat will have to be supplied with resistance suitable for the make of motor generator used.

(c) The coils of the transformers shall be impregnated so as not to be subject to breakdown when exposed to moisture.

Emil J. Simon, Radio Engineer.

NEW YORK, June 21st, 1915.

Bureau of Supplies and Accounts, Navy Department, Washington, D. C.

GENTLEMEN: Herewith I attach my bid Schedule #8121 for 25 $\frac{1}{2}$ K. W. Radio Transmitting sets. Please note that it is exactly in accordance with specifications, except that I have not bid on an Antenna Switch as called for by paragraph 3.

It is my intention that the Department supply this appliance and provision has accordingly been made for its connection to, and use,

with my panel. Attached herewith are copies of correspondence with the Bureau of Steam Engineering relating to this point.

It should be noted that I have offered to supply either a Holtzer Cabot or Crocker-Wheeler motor generator. My sample set, submitted this day to the New York Navy Yard, is equipped with a

42 Holtzer Cabot machine, but by arrangement with the Crocker-Wheeler Company I am prepared to offer their outfit as well, as indicated by the attached letter, and this Company has furthermore authorized the New York Yard, by letter, to test this machine in conjunction with my equipment.

Today I have forwarded to the Bureau of Steam Engineering complete descriptive matter relating to sets offered in my bid.

Very respectfully yours,

(Signed)

EMIL J. SIMON.

E. J. S./L. H.

Letter-head of Emil J. Simon.

May 20th, 1915.

Bureau of Steam Engineering, Navy Department, Washington, D. C.

GENTLEMEN: The specifications of Schedule 8121 state that an antenna switch is to be included with each transmitting set. In discussing this subject with Cmdr. Hepburn in Washington recently, it was suggested that, whereas I had devoted practically no time to the development of this device, and whereas the time remaining for such development was exceptionally short, and whereas the Department had already developed a switch which served its requirements, it would be proper to offer my bid and submit my sample transmitting set without including the antenna switch, but with provision made for its attachment.

It is my purpose to follow this suggestion, and I am writing to make certain that my understanding of the matter is a correct one.

Very respectfully,

(Not Signed.)

43

Navy Department,
Bureau of Steam Engineering.

WASHINGTON, D. C., May 24, 1915.

SIR: 1. Replying to your letter dated May 20th, the Bureau notes that you intend to bid on the specifications of schedule 8121, exclusive of antennae switch. There is no objection to making your bid in this manner. However, the Bureau will consider your bid on its merits as compared with all other bids and will recommend award of contract accordingly, with the usual due consideration of price asked.

Very respectfully,

(Signed)

R. S. GRIFFIN,

Engineer-in-Chief, U. S. N., Chief of Bureau.

Mr. Emil J. Simon, Flatiron Building, New York, N. Y.

44 *Affidavit of Walter S. Jones to be Used in a Suit in Equity
 About to be Brought in the United States District Court for
 the Southern District of New York by Marconi Wireless Tele-
 graph Company of America vs. Emil J. Simon on Marconi
 Patent No. 763,772.*

STATE OF NEW YORK,
 County of New York, ss:

Walter S. Jones, being duly sworn, deposes and says:

I am of mature age and reside at No. 501 West 140th Street, in the Borough of Manhattan, City of New York.

On September 10, 1915, I called at No. 160 Duane Street, New York City, and there found a man who said he was Emil J. Simon, and who I believe is the defendant herein. He said, however, that he was no longer doing business at No. 160 Duane Street, but had merely called there to see a friend. He told me his place of business was at the Flatiron Building, No. 949 Broadway, Borough of Manhattan, City of New York. I told him that I wanted to get some information in regard to amateur sets of wireless apparatus. He said that, "on account of the patent situation," he was only selling to the Government; that he had just received a big order from the Government and was giving all his time to that. He said though that if he had the time he could take care of orders for amateur sets. I then asked him for one of his catalogues and he at first said that he didn't have any; a little later he said he thought he might have some descriptive matter in a hand bag which he carried and he half opened the bag to get it out,
 45 but changed his mind and said that he didn't have any.

On September 11, 1915, I called at No. 140 West 93rd Street, the defendant, Simon's city directory address, but was informed that he had moved from there last May. One of his neighbors informed me that he had moved to some place in the Borough of Manhattan, but didn't know just where.

On September 11, 1915, I went to the Flatiron Building, where the defendant Simon had told me his place of business was located. The elevator starter of the building told me that Emil J. Simon, "the wireless man," had an office on the fifth floor, room 506, with the Arthur Bailey Lumber Company. Arthur Bailey, of 146 Kent Street, Brooklyn, I am informed and believe, is one of his guarantors on Simon's bid to supply the United States with wireless telegraph apparatus.

WALTER S. JONES.

Sworn to before me this 22nd day of September, 1915.

[SEAL.]

WILLIAM F. KEYES,
 Notary Public, No. 63, N. Y. County.

- 46 *Affidavit of David Sarnoff to be Used in a Suit in Equity About to Be Brought in the United States Court for the Southern District of New York by Marconi Wireless Telegraph Company of America vs. Emil J. Simon for Infringement of Marconi Patent No. 763,772.*

STATE OF NEW YORK,
County of New York, ss:

David Sarnoff, being sworn, deposes and says:

I am of lawful age, reside in the City of New York, and am Assistant Traffic Manager and Contract Manager for Marconi Wireless Telegraph Company of America. I have held this position since March 1, 1914. Previous to that time I was a wireless telegraph operator, and I was also Chief Radio Inspector for that Company.

I am familiar with the construction and operation of the radio or wireless telegraph apparatus of our Company, as well as with the wireless telegraph apparatus of the Marconi Patent No. 763,772. I am also generally familiar with the construction and operation of radio or wireless telegraph apparatus of other companies, and with the wireless telegraph apparatus which the defendant, Emil J. Simon, has offered to users of such apparatus, including the United States.

I have known Emil J. Simon for some time past. He has been, and I verily believe is now, a resident of either Westchester County or New York County, in the State of New York, although temporarily sojourning for the Summer on Long Island. Within the past few months, Emil J. Simon has maintained and is maintaining

- 47 a regular and established place of business at the Flatiron Building, No. 949 Broadway, Borough of Manhattan, City of New York, and has been offering, in the Borough of Manhattan, City of New York, to sell and supply wireless telegraph apparatus to commercial users thereof, such as steamships and the United States.

Early this Summer, the Navy Department of the United States advertised for 25½ k. w. radio transmitting sets, without receiving apparatus, for ship installation, under Schedule 8121, Class I, referred to in and forming part of the affidavit of Richard A. Ford, verified September 20, 1915, and annexed thereto, which affidavit and the papers annexed thereto I have read.

I am informed and believe that the bid of the said Emil J. Simon has been accepted by the United States, and that a contract to supply these 25½ k. w. radio sets has been awarded to him for the sum of about Thirty Thousand Dollars (\$30,000).

As required in this Schedule:

"Only those bidders will be considered who, prior to the time fixed for opening the bids, shall have delivered one complete sample set of apparatus as offered in bid on this schedule for inspection and test at the Radio Laboratories, Navy Yard, Brooklyn, New York."

About six weeks ago, the defendant, Emil J. Simon, telephoned me at my office in the Woolworth Building, New York City, that he had on a truck in Park Place, alongside of the said Woolworth building, a sample set of his wireless telegraph or radio apparatus, which he was offering to supply to the Navy Department under this

48 Schedule and his bid, and which was then going from the Borough of Manhattan to the Brooklyn Navy Yard for a test, and he requested me to inspect it. Other than this I do not know the purpose for which I was asked to inspect this apparatus, but I am now asked by the officers of the Marconi Company to state what I observed, which I do as follows:

Upon immediately leaving my office I went down to the street and found the sample apparatus on the truck, and made an inspection of the same. I observed that the apparatus consisted of a transmitting set substantially complete, of about one-half kilowatt capacity, and I will now describe this set by reference to a simplified or diagrammatic diagram which I hereto annex.

The transmitting set comprised a motor-driven generator shown at *a* in my diagram. This was of about one-half kilowatt capacity, and had a frequency of about 500 periods per second. The apparatus was arranged so that current could be supplied from the generator *a* to the power transformer or induction coil *C* and the energy from the power transformer or induction coil was connected to supply energy to a closed oscillation circuit comprising condenser *c*, spark gap *3* and primary *d* of an oscillation transformer. These elements of the closed circuit were connected in series as shown. The spark gap *3* was of the quenched spark gap type and consisted of a plurality of flat plates spaced from one another, so that the spark would take place in the gaps between the plates, and an adjustable contact was provided on the primary coil *d* of the oscillation transformer, as shown at *v*, so that more or less of this coil could be included in the closed circuit, thereby providing means for varying the inductance in this circuit and for tuning the circuit to the desired wave lengths.

The set, as I saw it, was not provided with an antenna, but 49 it was intended to be used with an antenna, since terminals were provided for connecting the usual antenna and ground connection, as indicated at *AA'* in my drawing. In this connection it is obvious that the set would be inoperative and useless for the purposes intended, unless provided with such an antenna. The set was provided with a variable inductance *g* and with the secondary coil *d'* of the oscillation transformer and these were connected in series as shown. Adjustable contacts *v*² and *v*³, were provided on the inductance *g* and secondary *d'*, so that more or less of the inductance could be included in the open radiating or antenna circuit for the purpose of tuning or adjusting the time period of that circuit. Provision was made for connecting the lower end of the coil *d'* to ground at *E*, as shown in my diagram, although, of course, it was not so connected at the time I saw it.

The arrangement of this transmitting set was such that by adjusting the contacts *v*² and *v*³, either one or both, thereby varying the inductance in the antenna circuit, such circuit could be tuned to

emit waves of the desired length and, furthermore, by adjusting the contact v the inductance in the closed oscillation circuit could be varied so as to tune the oscillation circuit to the antenna or open radiating circuit.

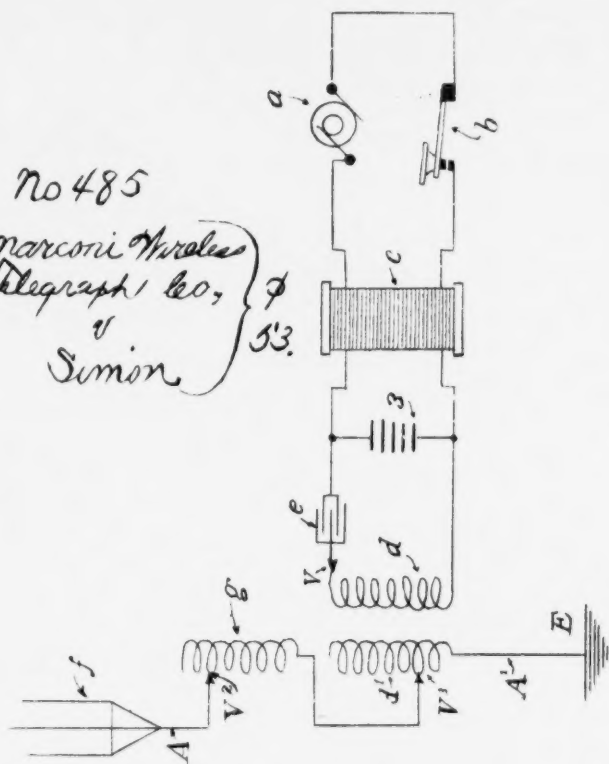
A suitable transmitting key b was inserted in the circuit leading from the generator a to the power transformer or indication coil C in order to control the operation of the apparatus and to send out signals in dots and dashes. In the apparatus as actually arranged the contacts v v^2 and v^3 consisted of a number of taps or connections which were led to a switch of a type known as a "tune shifter."

This is a wave length changing switch by which the operator can, with a single movement, simultaneously tune the two circuits of the transmitter to any one of a number of predetermined fixed wave lengths. The purpose of such a switch is, for example, to enable the operator to avoid interference with other stations, or to preserve secrecy by sending successive words at different wave lengths, in accordance with a predetermined code. I have not shown this tune shifter switch in my diagram, but it will be understood that it comprises mechanical means of simultaneously changing the movable connections v v^2 v^3 to correct predetermined positions.

The type and character of this transmitting apparatus was, in general, the same as that which has been made for a long time by the Marconi Company under Patent No. 763,772, and differs only in small and immaterial details. The said transmitting apparatus or set of the defendant Simon was capable of being operated and was obviously intended to be adjusted when installed and connected to the antenna and to earth as intended by the defendant in the following way: The engineer making the installation would first set the closed oscillation circuit comprising the coil d , adjustable contact v , condenser e and spark gap 3 for one position of the contact v . The open radiating circuit would then be adjusted by means of the contacts v^2 v^3 , either one or both, so as to be in tune or resonance with the closed circuit for this particular position of the contact v , and the tune shifter switch would be permanently connected to the contacts v^2 v^3 . The same operation would be repeated for each one of the desired positions of the contact v . Thus the engineer installing the apparatus would predetermine for a number of fixed wave lengths the exact connections that should be used in order to have the two circuits in perfect tune or resonance with one another.

51 & 52 These adjustments being made, the apparatus is turned over to the operator, who, in ordinary sending, would proceed as follows: He would first set the tune shifter switch for the desired transmitting wave lengths, and then, having set the generator a in operation, he would operate the transmitting telegraph key b to begin the sending of his message by the ordinary telegraph code. Upon the closing of the key, current passes from the power transformer C and is stepped up in voltage and charges the condenser e until the spark gap 3 breaks down. The breaking down of the spark gap automatically sets up oscillations in the closed circuit of the desired frequency, and these oscillations are in turn impressed

No 485
marconi Wireless
Telegraph Co, } 7
" } 53.
Simon }



on the open radiating or antenna circuit by the oscillation transformer $d d'$. The oscillations of the open radiating circuit in turn set up oscillations in the surrounding ether which radiate into space until they reach a distant receiving station.

In connection with my diagram and the foregoing description, I should explain that I did not trace out all of the wiring connecting up the various elements constituting the set. My examination was sufficient, however, to show me, as one familiar with wireless equipment, that the apparatus not only embodied all of the elements described above, but that these elements were constructed provided with terminals and adapted to be arranged essentially as shown in my diagram.

(Sgd.)

DAVID SARNOFF.

Sworn to before me this 23rd day of September, 1915.

[SEAL.]

WALTER S. JONES,
Notary Public, New York County.

(Here follows diagram marked p. 53.)

54 & 55 *Affidavit of Frank N. Waterman to be Used in a Suit in Equity About to be Brought in the United States District Court for the Southern District of New York Against Emil J. Simon for the Infringement of Marconi Letters Patent No. 763,772.*

STATE OF NEW YORK,
County of New York, ss:

Frank N. Waterman, being duly sworn, deposes and says:

I am 49 years of age, reside in Summit, New Jersey, and am by profession a Consulting Engineer.

I received my technical education at Cornell University, from which I graduated in the course of electrical engineering in 1889. I had had practical engineering experience prior to my graduation. Upon leaving the University I immediately entered the employ of the Westinghouse Electric Company and was engaged as one of their electrical engineers for a number of years, designing, constructing, testing and installing electrical apparatus. Subsequent to this I acted as consulting engineer at the New York Office of that Company. Since 1901 I have been engaged in the practice of my profession as consulting engineer and have not been connected with any company.

During the past 18 years I have very often testified as a witness in litigation, particularly that involving infringement of letters patent for inventions, and I have been called upon to compare devices and electrical apparatus with patents and to pass upon the commercial value of the same. I have testified in a number of suits involving electrical apparatus, particularly alternating
56 current apparatus, such as alternating current motors, transformers and the like. I have also testified in several suits involving wireless telegraph apparatus and systems, including the suit brought by Marconi Wireless Telegraph Company of America vs. National Electric Signaling Company in the United States District Court for the Eastern District of New York on Marconi Patent No. 763,772 also in the suit brought by the same plaintiff against the Atlantic Communication Company and others, in the same court. I was also retained and made affidavits for the plaintiff on the motion for preliminary injunction in the suit brought by the said Marconi Company against De Forest Radio Telephone & Telegraph Company et al, in the United States District Court for the Southern District of New York.

I have read the Marconi patent in suit No. 763,772, and am familiar with the wireless telegraph apparatus described therein. I am familiar with the construction and mode of operation of the wireless telegraph apparatus of the National Electric Signaling Company which was held to be an infringement in the suit against that company, of claims 1, 2, 3, 6, 8, 10, 11, 12, 13, 14, 16, 17, 18, 19 and 20 of said Marconi Patent. I am also familiar with the construction and mode of operation of the wireless telegraph apparatus

of the Atlantic Communication Company which was held, on motion for preliminary injunction, to be an infringement of claims 1, 2, 3, 6, 8, 10, 11, 12, 13, 14, 16, 17, 18 and 20 of said Marconi patent.

I am also familiar with the construction and mode of operation of the wireless telegraph apparatus of the De Forest Radio Telephone & Telegraph Company which was held to be an infringement in the suit against that company on the motion for preliminary injunction, of claims 1, 2, 3, 6, 8, 10, 11, 12, 13, 14, 17, 18, 19 and 20 of said Marconi patent.

I have read the opinion of his Honor Judge Veeder sustaining the validity of the above enumerated claims of said Marconi patent and holding that they had been infringed by the wireless telegraph apparatus of the National Electric Signaling Company.

I have also read the opinions of his Honor Judge Hough on plaintiff's motion for preliminary injunction in the suit against the De Forest Radio Telephone & Telegraph Company holding the above enumerated claims to have been infringed by that company.

I have also read the affidavit of Richard A. Ford, verified herein September 20, 1915, and I have read the bid and statement and letters of the defendant Emil J. Simon annexed thereto, and also the Schedule No. 8121 or specifications likewise annexed to said affidavit, under which that bid and statement were made.

I have also read the affidavit of David A. Sarnoff, verified herein September 22, 1915, and have examined the drawing annexed thereto. I understand the construction and operation of the defendant Simon's wireless apparatus or radio set, described in said Sarnoff's affidavit and shown in said drawing, and which is also specified in said Schedule No. 8121 and the said Simon's bid and statement.

It appears from the said Schedule, bid, statement and Sarnoff affidavit that the defendant, Emil J. Simon has made or caused to be made, and has offered and intends to sell and supply to the Navy Department of the United States, wireless telegraph or radio transmitting apparatus for ship installation, "submarines, light vessels, and other small craft," which, for reasons which

I will hereinafter state, in my opinion embodies the material, substantial and vital parts or elements of the inventions of claims 1, 3, 6, 8, 11, and 12 of said Marconi patent, and which apparatus the said Simon intends shall be so employed that all of the elements of said claims shall be used and that there shall be a complete embodiment of said claims; the said Simon apparatus being the essential and vital parts contributing to such embodiment.

The Marconi patent No. 763,772, describes not only novel transmitting arrangements, but also novel receiving arrangements, and a novel combination of transmitting and receiving circuit arrangements. This motion and affidavit, however, relate only to the novel transmitting arrangement which claims 1, 3, 6, 8, 11 and 12 of the patent are directed to.

Fig. 1 of the drawings illustrates the transmitting apparatus. Referring to the transmitting arrangements as shown in Fig. 1, it comprises an oscillation transformer consisting of the coils *d* and

d' inductively related to one another. The primary coil d of this oscillation transformer is in a nearly closed circuit with the capacity or condenser c and spark gap connected across the terminals of an induction coil or power transformer C , these elements constituting a reservoir circuit for storing a much larger quantity of energy than the antenna circuit could directly store at the potential of the spark gap. This circuit, therefore, has the form which the patentee has called a "persistent oscillator"; it does not radiate, but transfers its energy to the other circuit.

In association with this closed or persistent oscillating circuit is another circuit which the patentee has called by contrast
 59 a good radiating or open circuit. It comprises the antenna, elevated or aerial conductor f and its connecting path to earth through A , g , d' and E . The secondary coil d' of the oscillation transformer is connected between the aerial wire and ground and the primary d of this transformer is connected in circuit with the condenser c and a producer of Hertzian oscillations in the form of a spark gap adjacent to the induction coil C , this circuit constituting, as I have said, the reservoir circuit, or "persistent oscillator." The secondary terminal of the induction coil C leads to two terminals of the spark gap, while the primary terminals are connected to a source of current or generator a through a telegraph key b .

The character of these two circuits is referred to in the specification, p. 1, line 32, and again at line 77, and details of construction of illustrative examples are described on pages 3 and 4 of the specification. The operation of the transmitting arrangement is described in the specification, p. 2, line 25.

The transmitting arrangement thus described and illustrated in the drawing comprises two circuits, one of which has the power of storing up a relatively large amount of energy and is a nearly closed circuit. The other is the open or radiating circuit inductively connected therewith and constituting a good radiator when properly adjusted with the closed oscillating circuit. The adjustment of these two circuits consists in the proper proportioning of the inductance and capacity of the two circuits to one another so that the product of the effective inductance and effective capacity in each circuit is substantially equal to that in the other, which is evidenced by the maximum flow of current in the aerial wire. As

a means for ready adjustability and to insure the emission
 60 of a wave of the desired persistence and length, there is included in the open circuit a variable inductance coil g .

In the closed or persistent oscillating circuit there is also a condenser c made adjustable, as described in the specification, p. 1, line 88. By this arrangement the two circuits are linked together through the transformer so that the desired electrical oscillations in the open primary circuit build up similar oscillations in the closed secondary circuit and two circuits may therefore be tuned or adjusted one to the other to produce the desired wave length.

Claims 1, 3, 6, 8, 11 and 12 read as follows:

1. At a station employed in a wireless telegraph system, a signaling instrument comprising an induction-coil, the secondary circuit

of which includes a condenser discharging through a means which automatically causes oscillations of the desired frequency; an open circuit electrically connected with the oscillation-producer aforesaid and a variable inductance included in the open circuit, substantially as and for the purpose described.

3. At a station employed in a wireless-telegraph system, a signalling instrument comprising an induction-coil, the secondary circuit of which includes a condenser discharging through a means which automatically causes oscillations of the desired frequency, and the primary circuit of which includes a generator; means for varying the primary circuit; an open circuit electrically connected with the oscillation-producer aforesaid, and a variable inductance included in the open circuit, substantially as and for the purposes described.

61 6. At a transmitting-station employed in a wireless-telegraph system, the combination of a transformer whose secondary is connected to an open circuit, including a radiating-conductor at one end and capacity at the other end, and whose primary is connected to a condenser-circuit discharging through a means which automatically causes oscillations of the desired frequency, and means for adjusting the oscillation period of each of the two circuits connected with the transformer to bring them into accord with each other, substantially as described.

8. At a transmitting-station employed in a wireless-telegraph system, the combination of a transformer whose secondary is connected to an open circuit, including a radiating-conductor at one end and capacity at the other end, a variable inductance being included in said circuit, and whose primary is connected to a condenser-circuit discharging through a means which automatically causes oscillations of the desired frequency, substantially as described.

11. In apparatus for communicating electrical signals, the combination, with an oscillation-transformer, at a transmitting-station, of an induction-coil; an electric circuit containing the secondary of said coil, a condenser and the primary coil of the oscillation-transformer; a producer of electric waves of high frequency electrically connected with the secondary of the induction-coil; a signalling instrument in circuit with the primary of the induction-coil; the secondary coil of the oscillation-transformer electrically connected, at the one end to capacity and, at the other end, to an inductance, and an aerial conductor connected to the inductance, substantially as and for the purpose described.

62 12. In apparatus for communicating electrical signals, the combination, with an oscillation-transformer, at a transmitting-station, of an induction-coil; an electric circuit containing the secondary of the said coil, a condenser and the primary coil of the oscillation-transformer; a producer of electric waves of high frequency connected with the secondary of the induction-coil; a signalling instrument in circuit with the primary of the induction-coil; the secondary coil of the oscillation-transformer electrically connected, at one end, to capacity and, at the other end, to a variable

inductance, and an aerial conductor connected to the variable inductance, substantially as and for the purpose described.

Claim 3 is similar to claim 1, except that the former includes more elements. The claims refer to the current generating apparatus as a "signaling instrument" comprising an induction coil, being the high potential source indicated at C, Fig 1, of the patent. It also includes the signal key *b* in each case and the current generator indicated at *a*, Fig. 1, of the patent. The secondary circuit of this induction coil is said to include a condenser, namely, the condenser *c* in each case, which discharges through a means which automatically causes oscillation of the desired frequency, this being the spark gap adjacent to the letter C in each case. Claim 3 further specifies, as to this signaling instrument of transmitting apparatus, that the primary circuit of the induction coil includes a generator which is the current source *a* in Fig. 1. Both claims also recite
 63 an open circuit electrically connected with the oscillation producer aforesaid. This open circuit in each case is the aerial conductor F and its path to ground E, which is electrically connected with the spark gap and set in oscillation thereby through the oscillation transformer shown at *d* and *d'* and *d''*. The claims further require a variable inductance indicated at *g* included in the open circuit.

Claim 6 varies the phraseology. It refers to the secondary of the oscillation transformer as connected to an open circuit, including a radiating conductor at one end and capacity at the other end. The radiating conductor is the elevated conductor and connecting wire leading to it, and the capacity connected to the other end is the earth. This claim refers collectively to "means for adjusting the oscillation period of the two circuits connected with the transformer and bringing them into accord with each other." These means in the patent are the variable inductance *g* and variable condenser *c*.

Claim 8 contains no elements not already identified, nor any new relation of elements.

Claims 11 and 12 are substantially alike, except that claim 12 refers to "a variable inductance" where claim 11 refers merely to "an inductance." These two claims also refer to the "aerial conductor" *f* of the open circuit.

Referring now to the apparatus of the defendant Simon as the same is disclosed in his said bid, the said Schedule or Specification No. 8121, and in the said affidavit of Mr. Sarnoff, I find that defendant's said apparatus is not only essentially the same as the material and vital parts and elements of the apparatus of the Marconi patent in suit and the said claims 1, 3, 6, 8, 11 and 12, but is a very close copy of the same.

Taking up first the said specification No. 8121, I find that
 64 it calls for 25½ k. w. "radio transmitting sets for ship installation." I also find that each of these transmitting sets is required to include the following apparatus mounted on a panel, and to meet the following requirements:

1. A motor generator which corresponds to the source of current *a* of the patent.

2. A 500-cycle power transformer which is the element of the patent, termed herein as the induction coil, indicated at C.

3. A quench spark gap which is simply called spark gap in the patent and shown adjacent to the letter C.

4. A transmitting condenser which is equivalent to the condenser indicated at *e* of the patent.

5. An inductively coupled oscillation transformer referred to in the patent and shown at *d*, *d'* and *d*².

6. Antenna loading coils which are equivalent to the variable inductance shown at *g* in the patent.

7. Suitable terminals or binding posts on the panel for connecting the loading coils to the antenna (which is the aerial conductor indicated at *f* in the patent) and for connecting the ground leads to the earth as indicated at E in the patent.

8. A telegraph key as shown at *b* of the patent.

9. "Connecting leads for *five-wave lengths for the oscillating and antenna circuits.*" (Italics mine.)

65 10. That

"the transmitter shall be adapted to quick and convenient adjustment to *any one of five-wave lengths* within the range of 275 to 1,200 meters when used with antenna of 0.0006 mfd. capacity and 240 meters natural wave length. A construction allowing of simultaneous change of open and closed circuits." (Italics mine.)

The specification requires in the special tests, among other things, that

"The primary of the oscillating circuit must stand the following tests, which are similar to conditions that may frequently be encountered in actual service when *tuning or adjusting sets.* The test will be as follows:

"First. A sufficient number of spark gap units will be put in circuit to give 40 per cent. overload when the set is properly *tuned to the antenna for any wave length from 300 to 1,200 meters.*

"Second. The secondary or antenna circuit will be disconnected. * * *

"The antenna circuit shall show no injurious heating when set is operated at any wave length, from 300 to 1,200 meters, with 10 amperes in the antenna. * * *

"The transmitter circuit supplies with each set when adjusted to a dummy antenna of 0.0006 mfd. and 4 ohms resistance shall be capable of continuous operation at twenty words per minute without any sparking or break-down or injurious strains on any part of the apparatus at full rated output *throughout the entire range*
66 *of wave length* specified and including conditions of humidity of 90 per cent. saturation at 110° F. for 16 hours previous to test." (Italics mine.)

It is obvious from these requirements of the specification that the radio sets are to be provided with an antenna or aerial conductor and that in operation they are to be connected to the ground or earth. Otherwise, the sets would be practically inoperative and useless for all the purposes intended.

It is also clear from the specification, and particularly from the requirements which I have quoted above, that in operation the sets shall be adapted to the making of adjustments to several wave lengths and to the tuning of the open radiating circuit and the closed oscillating circuit. I am confirmed in this by the Navy Manual for 1915, which, as I understand it, is issued by the Navy Department in order to explain how operators shall use such sets as the defendant Simon has offered to supply to the Government. I produce a copy of the publication and mark it "Waterman Exhibit A." Thus, in Chapter 6 of this Naval Manual, which deals with "Sending Apparatus," it is said, page 108:

"Making the adjustments to particular wave lengths and couplings is called *tuning* and is discussed in Chapter 8."

And again, in the same publication, page 109, it is said:

"Fig. 47 indicates a method of connecting up sending sets so that the operator by moving a hand wheel or lever can change the wave length of the open and closed circuits the same amount
67 without changing the coupling. This apparatus is just being introduced and should greatly facilitate the operator's control over his sending wave length. It is called a *tune shifter*."

The specifications No. 8121, under which the defendant, Simon, bid, call for such a *tune shifter* in that part, which reads as follows:

"The transmitter shall be adapted to quick and convenient adjustment to any one of five wave lengths within the range of 275 to 1,200 meters when used with an antenna of 0.0006 mfd. capacity and 240 meters natural wave length. A construction allowing of simultaneous change of open and closed circuits."

Again, the Naval Manual of 1915 points out that users of wireless telegraph apparatus shall make the adjustments of the various circuits so as to tune them. Thus it says (pages 163-164):

"Adjustments, 224. This includes *calibration* and *tuning*. A station is tuned when both sending and receiving circuits are correctly calibrated, coupled and adjusted to the standard damping and standard wave lengths. Since the periods of the open circuits of both sending and receiving sets depend on the aerial with which they are used and the constants of the latter cannot usually be predetermined, the open circuit has to be calibrated after the set is installed. The closed circuit of receiving sets can readily be calibrated before installation. Also the closed circuit of sending sets, if wired up before installation. * * *

"The closed sending circuit should be in resonance with the open circuit and the coupling and decrement of the open circuit
68 such as to afford the necessary selectivity to the receiving circuits with the best efficiency of radiation. * * *

"Resonance is thus seen to be a vital quality in wireless telegraph circuits. (1) Resonance of alternator frequency with primary sending circuit. (2) Resonance of primary circuit with secondary sending circuit. (3) *Resonance of closed oscillating circuit with open radiating circuit*. (4) Resonance of coupled receiving circuits with each other and with coupled sending circuits. (5) Resonance of

telephone diaphragm with primary frequency. (6) Resonance of human ear with telephone diaphragm.

"Of these (1), (2) and (5) are elements of design and are not changeable at the will of the operator. (1) and (2) can be varied to a certain extent by reactance regulators which in some sets are provided for both circuits; but it is preferable to cover this feature in the original design of the transformers. (3) and (4) are entirely under the operator's control and on them the efficiency of the set depends." (*Italics ours.*)

It will be observed that this Naval Manual lays particular stress on "resonance" or "tuning," for it says, in the passage that I have quoted:

"Resonance is thus seen to be a vital quality in wireless telegraph circuits. * * * (3) Resonance of closed circuit, oscillating circuit with open radiating circuit. (4) Resonance of coupled receiving circuit with each other and with coupled sending circuits. * * *

"(3) and (4) are entirely under the operator's control and on them the efficiency of the set depends."

In view of the foregoing, there is no doubt in my mind that this specification could not be substantially complied with by the defendant Simon except by offering to supply and supplying the vital and material parts of the inventions of claims 1, 3, 6, 8, 11 and 12 of the patent in suit, with the intention that such parts were to be combined with the antenna and ground or earth connections indicated in the patent. The Navy Manual referred to clearly shows what these specifications mean to one skilled in the art, and hence to a bidder like the defendant Simon under these specifications.

That the defendant bid upon, and intends to furnish the apparatus or radio sets called for by these specifications, appears from his letter dated June 21, 1915, accompanying his bid. In this letter he states:

"Herewith I attach my bid, Schedule 8121 for 25½ k.w. Transmitting sets without receiving apparatus. Please note that it is exactly in accordance with specifications, except that I have not bid on antenna switch as called for by paragraph 3.

It is my intention that the Department supply this appliance and provision has clearly been made for this connection to, and use with, my panel."

The omission to supply this switch is immaterial here, as it is not called for by the patent or any of the claims thereof, and is merely a means of disconnecting the rest of the apparatus from the antenna, when desired, as for instance, for receiving, lightning protection, etc. It is apparent, however, that the defendant Simon intends that his set shall be used with such a switch.

The Navy Specification No. 8121, as I have indicated above, requires that the bidder's set be subjected to certain tests. The specifications state that:

"Only those bidders will be considered who, prior to the time fixed for opening the bids, shall have delivered one complete sample set of apparatus as offered in bid on this schedule for inspection and test at the Radio Laboratory, Navy Yard, Brooklyn, N. Y."

From the typewritten statement attached to defendant Simon's bid, annexed to Mr. Ford's affidavit, it appears that the defendant submitted to the Navy Department a sample set of his radio apparatus as offered and as required by the Specifications, and said sample set was tested. It also appears from Mr. Sarnoff's affidavit that the defendant Simon submitted this sample set for the inspection of Mr. Sarnoff. The construction and intended mode of operation of the sample set as described in Mr. Sarnoff's affidavit, and shown in the drawing annexed thereto, is substantially that called for by the specification No. 8121, with the exception of the switch above referred to.

Referring to defendant's radio set as described and shown in the Sarnoff affidavit, I find that it comprises an open or good radiating circuit and a closed oscillating circuit, these circuits having the following elements of the patent: The power generator *a*; the power transformer or induction coil *C*; the spark gap *3*; the transmitting condenser *c*; the inductively coupled oscillation transformer consisting of coils *d* and *d'*, the variable inductance *g* and telegraph key *b*. The set is also provided with adjustable contacts for varying the inductance of both circuits and provision is made therein
71 for connecting the usual antenna lead wire to the coil *g*, and connecting the coil *d'* to the ground.

Referring to the Sarnoff Drawing, the open or radiating circuit of the defendant's said set includes the intended aerial and conductors *A*, the variable inductance *g*, the secondary *d'* of the oscillation transformer, and the adjustable contacts *v*² *v*³ and the earth *E* connected in series. The closed oscillating circuit comprises the condenser *c*, primary *d* of the oscillation transformer, the adjustable contact *v* for the primary coil *d*, and the spark gap *3*. The condenser *c* of this closed oscillating circuit is charged from the secondary winding of the power transformer *C* and the primary of the latter is connected through the transmitting key *b* to the power generator *a*, the purpose of the key *b* being to control the operation of the apparatus to send out signals. The coils *d* and *d'* constitute an oscillation transformer by which the open or radiating circuit is associated with the closed circuit and electrically connected therewith. The inductance of coil *d* may be varied or adjusted by the adjustable contact *v*, so that more or less of the primary coil *d* of the oscillation transformer may be included in the closed circuit, whereby this closed circuit may be adjusted and tuned to the open or radiating circuit. The inductance of the open or radiating circuit may also be varied by manipulating the adjustable contact *v*², or the adjustable contact *v*³, or both, so that more or less of the variable inductances *g* and *d*, may be cut in or out of this open or radiating circuit and whereby it may be adjusted or tuned to the desired wave lengths. It is clear that the object the defendant has
in making the inductance contacts *v*, *v*² and *v*³ respectively,
72 adjustable, is to vary the inductance in the open or antenna circuit, so that circuit may be tuned to emit waves of the desired length, and to vary the inductance in the closed oscillating circuit so as to tune that circuit to the open radiating circuit.

It appears from the affidavit of Mr. Sarnoff and from the specifications under which Mr. Simon proposed to furnish this apparatus, that provision is made so that the contacts v , v^2 and v^3 can be adjusted simultaneously. This is done by a switch, commonly called a "tune shifter," is simply a convenient means whereby the operator may shift the contact point v to any one of several selected points on the coil d corresponding to the number of wave lengths which it is desired to use, and simultaneously and automatically shift also the contact points v^2 and v^3 to those points on the coils g and d' corresponding to the points selected on the coil d , so that the two circuits shall be accurately in tune. For example, the specifications call for five wave lengths between 275 meters and 1200 meters. Suppose that these five wave lengths are 275 meters, 450 meters, 600 meters, 900 meters, and 1200 meters. The installing engineer would, by test, determine what points on the coil d the connection v would be applied to, in order that the closed oscillatory circuit should have a frequency corresponding to each one of these wave lengths. He would then connect the antenna and earth connections as shown in Mr. Sarnoff's diagram, and, selecting the point on the coil d , giving a wave length of 275 meters, he would vary the contacts v^2 and v^3 either or both, until the wave length of the open radiating circuit was also 275 meters. The points on the coils g and d' , thus determined, would be permanently connected to the tune shifting switch, as would also be the corresponding point on the coil

73 d . The installing engineer would then place the contact v on the point of the coil d corresponding to 450 meters and would repeat the operation, just described, thereby accurately tuning the antenna circuit to this second wave length. These points, so ascertained, together with the corresponding point on the coil d , would, in turn, be permanently connected to the tune shifting switch. This operation would be repeated by the installing engineer for each of the above-named selected wave lengths. The result would be that the tune shifting switch is connected to the coils d and d' and g , in such a manner, that the mere shifting by an operator of the switch from any one of its five positions to any other of its five positions automatically shifts the points v , v^2 and v^3 , so as to change the wave length, while keeping the closed primary and open secondary circuits in resonance or tune with one another. For example, if an operator in sending a message desires to change the wave length used, from, say 450 meters to 1200 meters, he merely has to move the switch handle from the position marked 450 to the position marked 1200, and by so doing, he will automatically retune both of the circuits to this new wave length of 1200 meters, tuning both circuits to this wave length, and thus keeping them in resonance with one another.

The two circuits are thus always kept in tune or in resonance with one another.

The operation is as follows:

Upon closing the key b the current passes from the power transformer C and is raised in voltage and charges the condenser e until a spark is produced at the spark gap 3. This automatically sets up

74 oscillation of the desired frequency in the closed oscillating circuit. These oscillations by the oscillation transformer d d' are impressed on the open radiating circuit to the desired maximum. The oscillation of that circuit in turn sets up oscillations in the ether which radiate into space until they reach the receiving apparatus, all of the oscillations having the same time period, and being in resonance. Otherwise, the apparatus would be wholly ineffective for the purposes intended by the Navy Department, as well as wholly ineffective judged by modern standards which the production of the invention of the Marconi patent in suit established.

I need not dwell on the essential similarity of the transmitting circuits of the defendant Simon's apparatus and those of the transmitting claims of this Marconi patent to which I have referred. The substantial likeness is evident. In my judgment, they are essentially the same. Moreover, the defendant's transmitting circuits and apparatus are substantially the same as that heretofore held to be infringements of the transmitting claims in the suits against the National Electric Signaling Company, Atlantic Communication Company and De Forest Radio Telephone & Telegraph Company.

The fact that the defendant Simon may tune the closed circuit of the transmitter by varying the amount of inductance in the coil d , while the same result is accomplished in the Marconi patent as illustrated by varying the capacity of the value of condenser e , does not constitute a substantial difference. As the patent makes clear, either one or both might have its value adjusted or varied so as to tune one circuit to the other.

I am therefore of the opinion, as stated above, that the 25½ k. w. radio sets called for by the said Specification No. 8121 and which the defendant has offered and intends to sell and supply
75 under said Specification, and the sample of which set he has made or caused to be made and tested as aforesaid, embody the vital and material parts and elements of the invention of said claims 1, 3, 6, 8, 11 and 12, of the Marconi patent No. 763,772, and that such sets are intended by the defendant to be used with aerial conductor or antenna and ground or earth connections referred to in said claims.

The changes which according to the typewritten statement attached to the Simon bid are required to be made in the sample apparatus submitted to the Navy Department for test by said Simon are immaterial and merely changes in detail and workmanship and do not affect the opinions I have expressed herein.

FRANK N. WATERMAN.

Sworn to before me this 24th day of September, 1915.

[SEAL.]

WALTER S. JONES,
Notary Public, New York County.

76 United States District Court, Southern District of New York.

In Equity.

On Marconi Patent No. 763,772.

MARCONI WIRELESS TELEGRAPH CO OF AMERICA, Plaintiff,

vs.

EMIL J. SIMON, Defendant.

STATE OF NEW YORK,

County of New Jersey, ss:

Walter S. Jones, being duly sworn, deposes and says:

I am of mature age and reside at No. 501 West 140th Street, in the Borough of Manhattan, City of New York.

At about 1:20 o'clock in the afternoon of October 6, 1915, in the office of Frederick K. Pierce & Company, Nos. 18-20 Rose Street, in the Borough of Manhattan, City of New York, I served the annexed notice of motion for preliminary injunction, together with copies of the affidavits and exhibits referred to therein and to be used on said motion, upon the defendant Emil J. Simon personally, by delivering said notice and copies of the said affidavits and exhibits to and leaving the same with the said Emil J. Simon, at the time and place aforesaid.

WALTER S. JONES.

Sworn to before me this 9th day of October, 1915.

[SEAL.]

ANNA MARIE WALL,
Notary Public, Kings Co. No. 108.

Certificate filed in New York Co., No. 156.

77 *Stipulation and Order.*

United States District Court, Southern District of New York.

In Equity.

On Marconi Patent No. 763,772.

MARCONI WIRELESS TELEGRAPH COMPANY OF AMERICA, Plaintiff,

vs.

EMIL J. SIMON, Defendant.

And now, this 13th day of October, 1915, Walter H. Pumphrey appearing for the defendant Emil J. Simon and requesting an adjournment of the hearing of the motion for injunction noticed for October 15, 1915, it is agreed as follows:

That the hearing of the injunction motion shall be postponed until Friday, November 5, 1915; that the defendant Simon shall serve upon the plaintiff's solicitors copies of all affidavits and papers to be used on the motion for injunction on or before 12 o'clock noon, Friday, October 29, 1915, and that the plaintiff shall serve upon defendant's solicitor, Mr. Pumphrey, copies of its rebutting affidavits and papers on or before 12 o'clock noon, Thursday, November 4, 1915.

It is further agreed that the time for the filing of the defendant's answer herein shall be extended to and including Thursday, November 4, 1915.

SHEFFIELD & BETTS,
Plaintiff's Solicitors,
WALTER H. PUMPHREY,
Solicitor for Defendant, Emil J. Simon.

It is ordered accordingly by

AUGUSTUS M. HAND, *U. S. D. J.*

Dated Oct. 15, 1915.

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Order to Show Cause.

United States District Court, Southern District of New York.

In Equity.

MARCONI WIRELESS TELEGRAPH COMPANY OF AMERICA, Plaintiff,
vs.
EMIL J. SIMON, Defendant.

Upon reading the bill of complaint filed herein and the annexed affidavit of Emil J. Simon, verified the Third day of November, 1915, also the attached copy of complainant's moving papers on a motion for preliminary injunction, noticed for hearing, *my stipulation of the parties*, for Friday, November 5, 1915, it is

Ordered that the complainant, Marconi Wireless Telegraph Company of America, show cause on the call of the motion calendar of this court in the rooms of the United States Court House and Post Office Building in the Borough of Manhattan, City of New York, at 10:30 o'clock in the forenoon of Friday, the 12th day of November, 1915, why its bill of complaint and motion for preliminary injunction should not be dismissed and an allowance of reasonable costs made to the defendant herein.

It is further ordered that service of a copy of this order and copies of the annexed affidavits, papers and paper exhibits upon the said complainant on or before the 4th day of November, 1915, shall be sufficient service; that copies of any affidavit, papers and paper exhibits to be used by the complainant, in opposition to said order to show cause, shall be served upon the defend-

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ant's solicitor on or before the 9th day of November, 1915, and that copies of any affidavits, papers and paper exhibits, intended to be used by the defendant in rebuttal to complainant's opposing affidavits, papers and paper exhibits, shall be served upon the complainant or its solicitors on or before the 11th day of November, 1915.

(Signed)

C. M. HOUGH,
United States Judge.

Dated New York, N. Y., November 3rd, 1915.

Affidavit.

United States District Court, Southern District of New York.

In Equity.

MARCONI WIRELESS TELEGRAPH COMPANY OF AMERICA, Plaintiff,
vs.

EMIL J. SIMON, Defendant.

CITY, COUNTY AND STATE OF NEW YORK, ss:

Emil J. Simon, being first duly sworn, deposes and says that he is the defendant named herein; that he now is and for the past seven months or more has been a resident of the County of Queens, State of New York, in which county he is a registered voter.

80 That in or about April, 1915, affiant, then a resident of the Borough of Queens, as above set forth, began work at the manufacturing plant of the Metropolitan Electric Mfg. Co. at Long Island City, County of Queens, State of New York, on the design of a wireless transmitting set to conform with specifications of the United States Navy Department, contained in schedule known as No. 8121, calling for bids on twenty-five $\frac{1}{2}$ KW radio transmitting sets and requiring the submission of a sample set to accompany the bid.

That thereafter and on or about the 20th day of April, 1915, an order was given by affiant to the Metropolitan Electric Mfg. Co. of Long Island City, for the construction and delivery to the Brooklyn Navy Yard of such a sample set in accordance with his design.

That thereupon the Metropolitan Electric Mfg. Co. immediately proceeded to fill the order, the work continuing from day to day until the set was completed and delivered to the United States Navy Yard at Brooklyn, as appears by the attached duplicate of invoice, marked Exhibit A.

That after the completion of the set at the manufacturing plant of the Metropolitan Electric Mfg. Co. of Long Island City, and on or about the 21st day of June, 1915, the day of delivery of the set to the Brooklyn Navy Yard, the set was first sent to the Manhattan Electrical Supply Co. in the Borough of Manhattan, for the substitution of other condenser units, but *on* it was found that the desired condensers were not in stock, and the set was taken to the

Brooklyn Navy Yard without such substitution of condensers having been made.

That the sample set above referred to, was examined and tested at the Brooklyn Navy Yard by Government employees under the direction of a Naval Officer to determine whether or not it
81 fully complied with the Navy Specifications and an official report made to the Navy Department, Washington, D. C.

That the Bureau of Steam Engineering after considering the report of the Brooklyn Navy Yard, recommended that affiant herein named as defendant be awarded the bid for twenty-five $\frac{1}{2}$ K. W. Sets, similar to the sample set submitted.

That the bid was awarded to affiant for the reason that the set he submitted and on which the award was made was, with the exception of several unimportant details, in full compliance with specifications prepared and advertised by the Navy.

That on the date the bill of complaint was filed herein, to wit, the 24th day of September, 1915, the award of the contract between affiant and the United States had been officially made, but the contract had not been formally entered into, and was not executed by affiant until on or about the ninth day of October, 1915, after which date it was executed on behalf of the United States, which latter date is not known to affiant.

That affiant, in supplying the United States Navy with wireless sets constructed in accordance with Navy Specifications in the present instance for use on submarines, understood that he would be free of any and all liability for profits and damages for alleged infringement of patents, in view of the law as established by many recent decisions of the United States Courts, holding that the Government, in the exercise of the right of eminent domain, may impose a license on any patent, the subject matter of which it elects to use, and if the apparatus supplied by affiant to the Navy comes within the claims of the patent in suit, affiant has only assisted the Government, a licensee, in carrying out its license.

82 That excepting the sets above referred to which defendant is under contract to supply the Government, defendant has in no other instance, in his own name or individual capacity, or for his own profit, made, sold or used either in the Southern District of New York or elsewhere, radio sets either of the type called for by the claims of the patent in suit or of any other type, the present contract above referred to being the only instance in which affiant has, individually and for his own profit, made, sold or used wireless sets of any description.

(Signed)

EMIL J. SIMON.

Subscribed and sworn to before me this 3rd day of November, 1915.

ADELE F. SHAW,
Notary Public.

"EXHIBIT A."

Metropolitan Electric Mfg. Co., East Avenue and Fourteenth Street,
Long Island City, New York, N. Y.

Date June 9, 1915.
Customer's Order No. 4-M-103.
Our Order No. N. Y. Navy Yard.
Shipped to —.
Terms 30 Days.

Sold to Mr. Emil J. Simon, Flatiron Bldg., New York City.

1 1/2 K. W. Panel Wireless Set, complete 1551 00. Duplicate.

83 *Notice of Affidavit to be Used in Opposition to Defendant's
Motion to Dismiss Bill and to Dismiss Motion for Injunction.*

United States District Court, Southern District of New York.

In Equity.

On Marconi Patent No. 763,772.

MARCONI WIRELESS TELEGRAPH COMPANY OF AMERICA, Plaintiff,
vs.
EMIL J. SIMON, Defendant.

Please take notice that upon the hearing of the order, dated November 3, 1915, to show cause why the bill of complaint and the motion for preliminary injunction herein should not be dismissed, we shall read and rely upon the annexed affidavits of John Bottomley, verified November 9, 1915; Samuel M. Kintner, verified November 8, 1915, and T. L. Townsend, verified November 2, 1915.

Yours, etc.,

SHEFFIELD & BETTS,
Plaintiff's Solicitors.

52 William Street, New York City.

To Walter H. Pumphrey, Esq., Defendant's Solicitor, 61 Broadway, New York City.

84 *Affidavit in Opposition to Defendant's Application to Dismiss
Bill and Motion for Injunction.*

United States District Court, Southern District of New York.

In Equity.

On Marconi Patent No. 763,772.

MARCONI WIRELESS TELEGRAPH COMPANY OF AMERICA, Plaintiff,
vs.
EMIL J. SIMON, Defendant.

COUNTY OF NEW YORK,
State of New York, ss:

John Bottomley, being duly sworn, deposes and says:

I am vice-president of the Marconi Wireless Telegraph Company of America and have heretofore made an affidavit on the motion for preliminary injunction.

I have read the affidavit of the defendant, Emil J. Simon, verified herein November 4, 1915, on which the order to show cause why the bill and motion for injunction should not be dismissed was issued.

Mr. Simon states, in his affidavit, that the wireless sets, constructed by or for him in accordance with the Navy specifications of Schedule 8121, are for use in submarines. The said sets, according to the specifications, are for use on "light vessels and other small craft," as well as submarines.

85 I note that Mr. Simon states that in proposing to supply the wireless apparatus to the United States "he understood that he would be free of any and all liability for profits and damages for alleged infringement of patents." He also states, or intimates, that the wireless apparatus he is manufacturing or causing to be made, and which he proposes to supply under said schedule, was made for his own personal profit. These statements of Mr. Simon confirm the statements in my aforesaid affidavit that one of the purposes of the defendant in manufacturing his infringing apparatus was to offer to supply it to the Government under the idea that the courts would not, or could not, stop him from manufacturing and selling the apparatus for such purpose, and that he would be able to continue such infringement for his own personal benefit and profit, and to the irreparable injury of plaintiff's patented rights, without having to pay the plaintiff such profits and without liability for any damages he may cause the plaintiff.

I also note that Mr. Simon states, in his affidavit, that he gave an order to the Metropolitan Electric Supply Co. for the construction and delivery to the Brooklyn Navy Yard of a sample set of the wireless telegraph apparatus alleged to infringe, in accordance with "my (Simon's) design."

The practice of the Navy Department in asking for bids such as that of Schedule 8121 is to ask contractors to bid on apparatus of

their own design, and contractors are required to submit, either before or with their bid, a sample set of such apparatus for inspection and test, and each manufacturer bidding is also required, when submitting their bids, to furnish blueprints of the apparatus designed by them. Hence the defendant Simon and the other bidders

86 were each required to submit, under Schedule 8121, drawings as well as a sample set of the apparatus offered and designed by them respectively under their bids. The apparatus called for by the United States was not gotten up, designed or invented by the officers or agents of the Government. The schedule simply specified the 25 one-half kw. radio sets, consisting of certain parts and appliances, capable of doing certain work, and bids were called for generally thereon. The bidder had to get up, devise and design the parts of the apparatus and manufacture them, or cause them to be manufactured, and submit a sample set to the Government for test before his bid would be accepted or a contract awarded him to supply the apparatus to the Government for subsequent use by it.

The granting of an injunction restraining this defendant's infringement of the patent in suit will not interfere with any Government work or business, for the Marconi Company is now ready to supply and furnish the Navy Department with wireless telegraph apparatus at reasonable prices, complying in all respects with the specifications of Schedule 8121, for which bids were opened in June, 1915, and under which, as I am informed and believe, the defendant, Emil J. Simon, was awarded a contract. The plaintiff's licensees also

(Sgd.)

JOHN BOTTOMLEY.

Sworn to before me this 9th day of November, 1915.

[SEAL.]

WALTER S. JONES,
Notary Public, New York Co.

87 *Affidavit in Opposition to Application to Dismiss Bill and Motion for Injunction.*

United States District Court, Southern District of New York.

In Equity.

On Marconi Patent No. 763,772.

MARCONI WIRELESS TELEGRAPH COMPANY OF AMERICA, Plaintiff,
vs.
EMIL J. SIMON, Defendant.

CITY OF PITTSBURGH,
County of Allegheny,
State of Pennsylvania, ss:

Samuel M. Kintner, being duly sworn, deposes and says:
I am of mature age and am General Manager of the National

Electric Signaling Company, which Company is engaged, among other things, in the manufacture and sale of wireless telegraph apparatus.

The National Electric Signaling Company acquired from the Marconi Wireless Telegraph Company of America a license under the Marconi Patent in suit, No. 763,772, in order that it might be free to manufacture and sell wireless telegraph apparatus to the Government of the United States, and, under this license agreement, we have agreed to pay the Marconi Company a royalty.

88 Last Spring the Bureau of Supplies and Accounts of the Navy Department issued proposals for advertisements known as Schedule No. 8121, soliciting bids to be opened in June, 1915, for 25 one-half k. w. radio transmitting sets of wireless telegraph apparatus, and requiring a sample set of the wireless apparatus to be submitted before or with his bid. The apparatus called for in the said Schedule 8121 was not designed, devised or invented by any of the officers or agents of the Government, nor were bidders directed to carry out any particular design, invention or plan of the officers of the Government. The bidders simply were required to supply the transmitting sets consisting of certain parts and apparatus of their own design and get-up, keeping within the limits of what was required by the specification of Schedule No. 8121.

The National Electric Signaling Company was invited to and did bid on this apparatus and submitted a sample set of wireless telegraph apparatus of its own design, and fully complying with all of the specifications of the Navy Department's said Schedule No. 8121, and offered to supply the same to the Navy Department in accordance with the said Schedule. The National Electric Signaling Company were not successful in getting the contract, and I am informed and believe that the contract was awarded to Emil J. Simon, because he was a lower bidder. The National Electric Signaling Company was prepared to supply wireless telegraph apparatus as called for in this proposal or schedule, at the times specified by the Government, and is now prepared to supply 25 one-half k. w. transmitting sets, complying in all respects with the specifications of this proposal or schedule, at reasonable prices.

Moreover, the apparatus which the National Company offered to sell the United States, and is now ready to supply the
89 United States, is very efficient, as evidenced by the fact that the National Electric Signaling Company has heretofore in the past sold to the United States Government many thousands of dollars worth of wireless apparatus which has satisfactorily met the Government's needs.

SAMUEL M. KINTNER.

Sworn to before me this 8th day of November, 1915.

[SEAL.]

GLENN H. LERESCHE,

Notary Public.

My appointment dated July 8, 1915.

My commission expires end next Session of Senate.

United States District Court, Southern District of New York.

In Equity.

On Marconi Patent, No. 763,772.

MARCONI WIRELESS TELEGRAPH COMPANY OF AMERICA, Plaintiff,
vs.
EMIL J. SIMON, Defendant.

CITY OF WASHINGTON,
District of Columbia, ss:

T. L. Townsend, being duly sworn, deposes and says:

I am the 2nd Vice-President of the National Electrical Supply Company, located at Washington, D. C., which Company is engaged in the manufacture and sale of wireless telegraph apparatus exclusively to the Government of the United States.

In order that we might carry on our business with the United States Government without jeopardy of being enjoined by the Marconi Wireless Telegraph Company of America, we acquired from the Marconi Company a license under the Marconi patent No. 763,772, and still have a license under this patent, by which we are free to supply the Government with the apparatus embodying this invention.

On Schedule No. 8121 S. E. the Navy Department of the United States called for proposals to supply 25 one-half k. w. radio transmitting sets, the bids to be opened on June 22nd, 1915, and the apparatus called for in the specifications required by the Navy Department to accompany any bids necessarily, in our judgment, called for the utilization of the Marconi patent No. 763,772.

Our company bid and offered to supply the Navy Department with 25 one-half k. w. transmitting sets, in our judgment complying in all respects with the requirements of the Navy Department as to efficiency and time of delivery, but our Company did not succeed in getting this contract, the contract being awarded to Emil J. Simon, at a lower price.

The wireless telegraph apparatus which we offered to supply to the Navy Department we believe to be efficient and to fulfill the Government's needs, since we have heretofore in the past manufactured and sold a large number of radio transmitting sets to the United States Government.

When we were not successful in getting this contract, which was awarded to the defendant, Emil J. Simon, we called upon the Marconi Company to protect us in the enjoyment of our license contract, under which we had agreed to pay royalties.

The National Electrical Supply Company was prepared, and did offer, to supply the Navy Department with all the apparatus called for in their proposal, and at the times when delivery was asked for, and is now prepared and can supply in their judgment the Navy

Department with apparatus complying in all respects with the bids and specifications in question.

T. L. TOWNSEND.

Witness:

CHAS. ODELL.

Sworn to before me this 2nd day of November, 1915.

[SEAL.]

J. M. MEANY,
Notary Public, D. C.

92 *Affidavit in Rebuttal to Complainant's Affidavit in Opposition to Defendant's Application to Dismiss Bill of Complaint.*

United States District Court, Southern District of New York.

In Equity.

MARCONI WIRELESS TELEGRAPH COMPANY OF AMERICA, Plaintiff,
vs.
EMIL J. SIMON, Defendant.

COUNTY OF NEW YORK,
State of New York, ss:

Emil J. Simon, being duly sworn, deposes and says he is the defendant named herein and has heretofore made an affidavit on the motion to dismiss the bill of complaint.

He has read the affidavits of John Bottomley, verified November 9th, 1915; Samuel M. Kintner, verified November 8th, 1915, and T. L. Townsend, verified November 2, 1915.

Mr. Bottomley states, in his affidavit, that the Navy "Schedule simply specified the twenty-five $\frac{1}{2}$ k. w. radio sets, consisting of certain parts and appliances, capable of doing certain work, and bids were called for generally thereon." But it is noted that Mr. Townsend in his affidavit says that "the apparatus called for in the specification required by the Navy Department to accompany any bids, necessarily, in our judgment, called for the utilization

93 of the Marconi patent No. 763,772." Similarly complainant's expert, Mr. Waterman, in his affidavit accompanying complainant's moving papers, says "there is no doubt in my mind that this specification could not be substantially complied with by the defendant Simon except by offering to supply and supplying the vital and material parts of the inventions of claims 1, 3, 6, 8, 11 and 12 of the patent in suit, with the intention that such parts were to be combined with the antenna and ground or earth connections indicated in the patent."

Deponent's letter, dated June 21, 1915, accompanying his bid and annexed to the affidavit of Mr. Ford forming part of complainant's moving papers, shows that deponent offered apparatus exactly in

accordance with specifications, excepting the antenna switch, which Mr. Waterman in his affidavit admits as immaterial here.

Deponent notes that Mr. Bottomley, Mr. Kintner and Mr. Townsend, each in their respective affidavits, call attention to the fact that their companies are each prepared and are now ready to supply to the Navy Department, at reasonable prices, radio sets complying in all respects with the specifications of the schedule. That this was not the case on June 22, 1915, the date set for the opening of bids and for the submission of sample sets on Schedule 8121 is evinced by the following facts:

I. The Marconi Company failed to submit a bid or a sample set for inspection and test.

II. The National Electric Supply Company and the National Electric Signaling Company, both licensees of complainant, offered to supply apparatus at a price, approximately 25% and 94 100% higher, respectively, than the prices at which the three lowest bidders offered to supply their apparatus.

III. The apparatus or sets offered by both said bidders and licensees of complainant completely failed to comply with the Navy Department's specifications, and failed to stand up under test, as is shown by the letter from the Navy Department, dated November 1, 1915, and annexed hereto.

Deponent does not know whether complainant or complainant's licensees are now in a position to supply apparatus, which fully complies with specification 8121, but is informed and believes that it would be wholly impractical and would materially embarrass and seriously delay the Navy Department's work if it were compelled, at this late date, to test anew sample apparatus now to be submitted by complainant or complainant's licensees.

It took the Navy Department two months and the undivided attention of several engineers and assistants to determine the apparatus which came nearest to complying with the specifications and which resulted in deponent being awarded on Sept. 2, 1915, a contract calling for the delivery prior to Dec. 31, 1915, of 25½ k. w. radio sets. Deponent is informed and believes that the public interests require that these wireless sets be delivered by said date, owing to the fact that some of the warships to which these sets are to be assigned are nearing completion, and that neither complainant nor complainant's licensees nor anyone else, except deponent, is now in a position to supply, by said date, 25½ k. w. radio transmitting sets designed to meet the requirements of the Navy Department, as specified in Schedule 8121.

It is noted in Mr. Bottomley's affidavit that he says his company, the complainant herein, is now in a position to deliver sets complying in every respect with the specifications. It should be noted that the Marconi Company failed to bid on June 22, 1915, and this precludes consideration of this company's apparatus in so far as Schedule 8121 is concerned.

To permit consideration of Marconi apparatus, in this instance, would necessitate the Navy Department's calling for new bids and samples for test, which would cause a delay to the Department of

four to six months, and deponent is informed and believes that such delay would prevent many new war vessels from going into commission during that time, and that this would seriously effect the public interests.

That the apparatus offered by complainant's licensees on June 22, 1915, was found unsatisfactory and was not seriously considered in determining the award of the contract, is proved by the annexed letter from the Navy Department, dated Nov. 1, 1915, in which it is stated that the only apparatus, other than deponent's that was seriously considered, was that offered by the Wireless Specialty Apparatus Company, whose bid was the lowest and lower than deponent's by about six hundred dollars.

(Signed)

EMIL J. SIMON.

Sworn to and subscribed before me this 11th day of November, 1915.

(Signed)

M. G. CRAWFORD,

[SEAL.]

Notary Public.

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Letter from Franklin D. Roosevelt.

Navy Department.

26817-61:1.

S/N/Dr.

F. D. R.

WASHINGTON, November 1, 1915.

SIR: Referring to your letter of the 22nd ultimo relating to the suit by the Marconi Wireless Telegraph Company of America against Emil J. Simon charging him with infringement of Marconi patent No. 763,702 in complying with the contract recently awarded him by the Department for twenty-five $\frac{1}{2}$ K. W. radio sets, in which you say that statement is made in affidavits filed by the plaintiff that said contract was awarded to Mr. Simon "not because he offered superior apparatus but solely because he offered supply the apparatus called for in the bid for a lower price" than the various other bidders, I quote below for your information and for such use thereof in the case as may appear proper a statement by the Bureau of Steam Engineering of the reason for awarding said contract to Mr. Simon, viz:

The award of the twenty-five $\frac{1}{2}$ K. W. radio transmitting sets under schedule 8121 was made to Mr. E. J. Simon for the reason that the sample set submitted by Mr. Simon was the only set which could be said to have been practically satisfactory within the specifications. Each bidder was required to submit a sample set, complete with his bid. Of the five sets submitted three were without question due to both failure to stand up under test and failure to comply with specifications. Two sets remained, i. e., that of Mr. Simon and that submitted by the Wireless Specialty Apparatus Company. The latter was slightly the lowest bidder, but it was deemed impracticable to

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consider his bid because of the delay which would have resulted if time were allowed to remedy the defects and reconsider the sample after it was again submitted. In the case

of these sets time of delivery is an important consideration, owing to the fact that some of the ships to which the sets are to be assigned are nearing completion.

Very respectfully,

FRANKLIN D. ROOSEVELT,
Acting Secretary.

Mr. W. H. Pumphrey, # 61 Broadway, New York, N. Y.

Opinion.

District Court of the United States, Southern District of New York.

MARCONI WIRELESS TELEGRAPH COMPANY OF AMERICA

vs.

EMIL J. SIMON.

Motion by plaintiff for preliminary injunction in action on Marconi Patent 763,772.

Counter motion by defendant to dismiss the bill as well as to deny the injunction because—(a) defendant is a resident of the Eastern District of New York, and (b) whatever infringement or use of the patented device in suit he has committed or made, has been
98 and will be by and through the construction of certain radio apparatus for the United States of America at the request of the Navy Department in accordance with plans and specifications laid down by that Department and embodied in a contract with said Department.

John W. Griggs, Esq. and L. F. H. Betts, Esq., for Pl'tff;

Walter H. Pumphrey, Esq., for defendant, and the Secretary of the Navy of the United States.

HOUGH, D. J.:

The appearance of counsel representing the Navy Department is as amicus. The United States is not a party to this suit, but it is in my opinion competent for the Government, even in the most informal way, to intervene for the purpose of showing the interest of the public in what, upon its face, is an action between private parties.

The defendant's motion to dismiss the bill on the ground that he is sued in the wrong district must be denied if the record is to stop here.

So far as affidavit-making goes, I think it shown by a present fair preponderance of evidence that the defendant has in the past usually resided within the Southern District, has always maintained an office here, and had and owned the sample set of apparatus (which is the infringement) within the Southern District shortly before suit. Under accepted practice, the defendant can either appear, reserving his rights, and make the matter of residence an issue in the cause, or he may move for a reference in limine.

Owing quite probably to my own interest in the unusual
 99 matters argued at bar, the discussions of counsel have extended
 over a wider range than an examination of the record renders
 necessary.

If it be assumed that the action is well brought, that defendant is an infringer, and that his status as a contractor with the United States Government affords him no protection, statutory or otherwise, it does not necessarily follow that a preliminary injunction should issue.

An injunction, and especially one pendente lite, is always of grace and not of right. A complainant however meritorious, may be sent over to final hearing, and even left to his accounting rather than awarded a permanent injunction;—for reasons which bear little if any relation to the merits of the controversy as between parties plaintiff and defendant.

Such is the case here. The Navy Department has by contract employed Simon to construct radio-apparatus, without which certain vessels of war now approaching completion cannot go into commission. If Simon does not complete the articles for which he has contracted, injury to the military arm of the Government will result. In the language of the Assistant Secretary of the Navy,

“interference by injunction * * * with the fulfilment by Simon * * * of his contract with this Department * * * would embarrass the Department * * * and be detrimental to the interests of the Naval service.”

It is regrettable that this official opinion is contained in a letter to the Court, not made a part of the moving papers,—though now added to them by me. But the method of which one is advised of matters affecting the public welfare, cannot prejudice the Commonwealth.

Therefore because upon the assumption that Simon is an
 100 infringer, the ordinary remedy against him would injure
 an arm of the Government of the greatest immediate importance, no injunction will issue in any way interfering with the contract now existing between Simon and the United States.

Without commenting further upon matters political rather than judicial,—the case is within the exception recognized by Clifford, J., in *Brady vs. Atlantic Works*, Fed. Cas., 1794.

The motion to dismiss this bill upon the ground that Simon as a contractor with the government for articles infringing a patent of the United States, is protected by the act “To provide additional protection for owners of patents of the United States and for other purposes,” approved June 25, 1910, raises a question of grave importance to private parties.

In times of trouble, at periods when the arm of the Government is in need of strengthening;—the Executive may be left in the exercise of powers perhaps doubtful as matter of law, but temporarily necessary for national safety, by the refusal of drastic relief, and the remission of private litigants to slower processes of procuring pecuniary recompense.

Such procedure, however, is temporary, and contributes nothing to the settlement of questions likely to be vexed in times when the asserted rights of private parties receive their ordinary measure of prompt recognition.

In a suit on this patent before Veeder, J., in the Eastern District of New York, this question was suggested, but not necessarily involved. It was therefore not passed upon (*Marconi Wireless Co. vs. Fritz Lowenstein*, Oct. 1, 1914).

Here the point cannot be evaded, because defendant has accepted all the statements contained in plaintiff's moving papers relating to the patent and its construction and the manufacture of Simon's apparatus; and upon these documents, all emanating from plaintiff, the motion to dismiss is made.

I think such a defence might have been set up by plea under the former practice, and may now be made by motion under Equity Rule 29.

The material facts which would formerly have been asserted by plea or proven by evidence under the plea, are these: Plaintiff is the owner, with good right to sue thereon, of a valid patent of the United States. Certain officers of the United States Navy drew plans and specifications for part of a radio apparatus which it was physically impossible to comply with except by infringing (outright or by contribution) the aforesaid patent of the plaintiff. Duty authorized governmental authority then invited bids upon said plans and specifications. All bidders, as well as the draughtsman of said plans and specifications, were well aware of the existence of plaintiff's patent, and there must be conclusively imputed to them an intention to infringe or (at least) to perform acts which would constitute infringement in a private person.

Several parties bid for the contract under the plans aforesaid, including two licensees of this plaintiff. Simon was not the lowest bidder, but he was, in the opinion of the Naval authorities, the best bidder; in that the apparatus devised or "laid out" by him was in compactness, strength, adjustment and other purely mechanical attributes, the best device offered. For this reason Simon's bid was accepted. He made and submitted to the laboratory at the Brooklyn Navy Yard one specimen or model of his apparatus. The making thereof is the act of infringement alleged, and the fulfillment of his contract by multiplying similar apparatus up to the limit of the contract is what is sought to be prevented by preliminary and final injunction.

It thus appears that there is an element of personal skill and mechanical superiority involved in Simon's machinery. This explains the action of the Naval authorities, but it does not as between private parties affect in any way the question of infringement.

Viewed without regard to the Act of 1910, certain officers of the Government deliberately committed the United States to an infringement of private rights, i. e., an appropriation of private property. Pursuant to this intent they invited private citizens to assist in this contemplated infringement, and Simon consented to aid by manufacturing a compact and well-arranged infringing article.

There is no proof (and in the nature of this motion there can be no final proof) that Simon is engaged in no other business than fulfilling this contract with the United States; but plaintiff has asserted in its own affidavits that he (Simon) has often so stated. It is equally true that there is no evidence or suggestion of any other infringement, present or contemplated, except that arising under the Government's contract aforesaid.

Under these facts the position is taken by defendant that he is an employee, agent or the like of the United States. This cannot, I think, be sustained. He is an independent contractor, i. e., a person held at arm's length by the Department with which he has contracted; one who gives bond, not for his general good conduct, but for the fulfillment of his contract; who may bring an action in the Court of Claims for any balance that he considers to be unpaid thereunder; and who may be sued if he does not fulfill his obligation—not for malfeasance in office, but for breach of contract.

The questions, therefore, become the following:

(1) What is the legal position of the Sovereign in respect of patent rights granted by itself under the Act of 1910?

(2) How does that Act or (more accurately) the legal position of the United States thereunder affect or protect an independent contractor?

So far as the first query is concerned, it has been fully and finally answered by *Crozier vs. Krupp*, 224 U. S., at 305, which holds that having regard to "the undoubted authority of the United States as to such subjects (as patents) to exercise the powers of eminent domain, the statute * * * provides for the appropriation of a license to use the inventions, the appropriation thus made being sanctioned by means of compensation for which the statute provides."

It may in some sense be true, as is urged by the plaintiff, that that act is remedial, and does not disturb any of the rights of a patentee which existed before its passage. But it is also true that if the act creates a legal status, the relation of the holder of that status to the rest of the world is affected by the statute, whether such change or modification of relation be specifically mentioned or described in the Act or not.

The Supreme Court has defined the somewhat inartificial language of the statute. What the Act contemplates being done by the United States is to use an invention "described in and covered by a patent." This is held to be equivalent to the expropriation or appropriation of a "license to use the inventions." This means a license in its widest sense, i. e., both to make and to use, and possibly to sell; but certainly both to make and to use.*

*It is inconceivable that the Government could or would sell for gain patented articles which it had manufactured or caused to be manufactured. But can it be doubted that articles covered by a patent, used and then sold after condemnation by governmental authority, would lawfully pass into the hands of the purchaser? In this sense, at least, the appropriated license is one to sell.

In this instance the Navy, through its officers, has appropriated by right of eminent domain a license to make and use any and all articles covered by the patent in suit.

It could plainly make them in its own yards or other work places by its hired employees or permanent officers. It could take Simon into its employment at a stated stipend, and it could even make that stipend the exact amount of his estimated profit under the contract. If this had been done the plaintiff could certainly do nothing but institute an action in the Court of Claims. Simon would be as immune as an admiral.

However repugnant to business and professional feeling this method of riding roughshod over the rights of a patentee may be, it is difficult for me to perceive that there is any substantial difference between what the Government admittedly might have done and what it has done in respect of this contract. Any distinction drawn between doing an infringing job by day's work and doing the same job by contract is without substance.

But it is said (and here hangs the plaintiff's whole case) that before the Act of 1910 the holder of a patent could sue a contractor with the Government for infringement as fully and freely as he could anyone else, provided always that he did not by injunction or otherwise interfere with governmental possession of any thing (however obnoxious to the patentee's rights) actually in governmental use. Brady vs. Atlantic Works, *supra*; 105 International, &c. Co. vs. Cramp, 211 Fed. Rep., 124, and cases therein cited. In my opinion this is true; but not so as to the corollary stated by plaintiff, viz., that since this right existed before the Act of 1910 and is not explicitly taken away by that statute, it must still survive as fully as of old.

If the reason of the law fails, the law ought to fail with it; this maxim seems to me to apply very forcibly here. The reason for permitting actions for infringement by private parties against government contractors was that since infringement was a tort and the United States had never consented to be sued in tort, patentees were without remedy. Now they have such remedy under the statute; and cannot take what the statute gives (or imposes) and retain what they had before, if it interferes with governmental enjoyment of its license.

The United States has a license under this patent to make, use and perhaps to sell, to any extent deemed beneficial to the commonwealth, and without any territorial or other limitation upon its right. A licensee to make and use is not (in the absence of specific language in his license) limited to making with his own hands, in his own shop, or by his own employees. He may employ, procure or contract with as many persons as he chooses to supply him with that which he may lawfully use, provided such conduct does not change his relation to the licensor. In my opinion this is exactly what the Government has done here, and Simon is not an infringer because he is supplying lawful goods to a lawful licensee

(Foster Hose Supporter Co. v. Taylor Co., 191 Fed. Rep., 1003).

106 There is another and more technical view of the facts, viz., what Simon contracted to furnish to the Navy Department is not a complete wireless apparatus, nor even a complete transmitting device, but only certain transmitter parts.

These parts (to Simon's knowledge) could never be used without uniting them with other devices not made or furnished by Simon, but well known in the art; and the whole apparatus when assembled as intended by the Navy (to defendant's knowledge) would constitute a Marconi system. Therefore Simon should be regarded (if the matter were one in which the Government had no interest) as a contributory infringer.

"The essence of contributory infringement lies in concerting or plotting with others in an unlawful invasion of the patentee's rights." Goodyear, etc., Co. vs. Jackson, 112 Fed. Rep., at 148. Simon did agree with the Naval authorities to contribute toward what would ordinarily be an infringement, but the United States could not infringe by using what Simon made because it was a licensee. Therefore Simon could not be a contributory infringer by assisting in doing a lawful thing. (Bullock vs. Westinghouse Co., 129 Fed. Rep., 105.) On this view of the facts the conclusion urged by defendant is logical.

No injunction will issue. The motion to dismiss is granted, unless plaintiff elects in twenty days to plead over, and allege infringements not arising from governmental contracts. If such election is made, defendant to answer in twenty days after amended bill filed.

Nov. 18, 1915.

C. M. HOUGH, U. S. D. J.

(Endorsed:) U. S. District Court, S. D. of N. Y. Filed Nov. 18, 1915.

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Notice of Entry.

United States District Court, Southern District of New York.

In Equity. Nos. 13-25.

MARCONI WIRELESS TELEGRAPH COMPANY OF AMERICA, Plaintiff,
vs.

EMIL J. SIMON, Defendant.

On Marconi Patent No. 763,772.

Please take notice that a decree, of which the enclosed is a copy, was duly entered in the office of the Clerk of the U. S. District Court

for the Southern District of New York, on the 24th day of November, 1915.

Dated, New York, N. Y., November 29th, 1915.

SHEFFIELD & BETTS,

Plaintiff's Solicitors.

52 William Street, New York, N. Y.

To Walter H. Pumphrey, Esq., Defendant's Solicitor, 61 Broadway, New York City.

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Decree.

United States District Court, Southern District of New York.

In Equity. Nos. 13-25.

MARCONI WIRELESS TELEGRAPH COMPANY OF AMERICA, Plaintiff,
vs.

EMIL J. SIMON, Defendant.

On Marconi Patent No. 763,772.

This cause came on to be heard at this term and was argued by counsel; and thereupon upon consideration thereof, it is ordered, adjudged and decreed as follows, viz.:

1. That the defendant's motion to dismiss the bill of complaint herein and to dismiss plaintiff's motion for a preliminary injunction in accordance with the prayer of said bill on the ground of lack of jurisdiction over the person of the defendant be and it hereby is denied.

2. That the said motion for a preliminary injunction be and hereby is denied.

And the plaintiff herein having elected not to plead over or amend its bill, it is further ordered, adjudged and decreed:

3. That the defendant's motion to dismiss the bill of complaint herein and to dismiss the plaintiff's said motion for a preliminary injunction for lack of jurisdiction over defendant's infringing business under his contract with the Navy Department of the

109 United States be and hereby is granted, and the bill of complaint be and hereby is dismissed with costs to be taxed.

Nov. 24, 1915.

C. M. HOUGH, *U. S. D. J.*

[Endorsed:] United States District Court, Southern District of New York. In Equity 13-25—Marconi Wireless Telegraph Company of America, plaintiff, vs. Emil J. Simon, defendant—Notice of entry and copy of decree—Sheffield & Betts, plaintiff's solicitors, No. 52 William Street, Borough of Manhattan, New York City—Service of the within notice of entry and copy of decree is hereby admitted this 30th day of November, 1915—Walter H. Pumphrey, defendant's solicitor.

Notice of Appeal.

United States District Court, Southern District of New York.

In Equity. Nos. 13-25.

MARCONI WIRELESS TELEGRAPH COMPANY OF AMERICA, Plaintiff,
vs.
EMIL J. SIMON, Defendant.

On Marconi Patent No. 763,772.

Please take notice that an appeal to the United States
110 Circuit Court of Appeals for the Second Circuit has this day
been allowed from the decree of the United States District
Court for the Southern District of New York, filed November 24,
1915, denying plaintiff's motion for a preliminary injunction, and
granting defendant's motion to dismiss the bill of complaint and to
dismiss plaintiff's said motion for preliminary injunction for lack
of jurisdiction over defendant's infringing business under his con-
tract with the Navy Department of the United States and dismissing
the bill of complaint.

We hand you herewith copies of the petition for appeal and order
allowing the same, the assignment of errors, the bond on appeal,
and approval thereof, and citation. Kindly accept service of the
latter.

Dated December 7, 1915.

Very respectfully,

SHEFFIELD & BETTS,
Solicitors for Plaintiff.

To Walter H. Pumphrey, Solicitor for Defendant, 61 Broadway,
New York City.

Service of the foregoing notice and of copies of the petition for
appeal an order allowing the same, assignment of errors, bond and
approval thereof, accepted this 8th day of December, 1915.

WALTER H. PUMPHREY,
Solicitor for Defendant.

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Petition and Order on Appeal.

United States District Court, Southern District of New York.

In Equity. Nos. 13-25.

On Marconi Patent No. 763,772.

MARCONI WIRELESS TELEGRAPH COMPANY OF AMERICA, Plaintiff,
vs.
EMIL J. SIMON, Defendant.

The above-named plaintiff, considering itself aggrieved by so much of the final decree entered herein on November 24, 1915, as denies plaintiff's motion for a preliminary injunction herein, restraining the defendant from infringing upon claims 1, 3, 6, 8, 11 and 12 of the Marconi patent in suit Number 763,772, in accordance with the prayer of the bill of complaint herein, and as grants defendant's motion to dismiss the said bill of complaint, and defendant's motion to dismiss plaintiff's said motion for a preliminary injunction, and as dismisses the said bill of complaint, hereby appeals therefrom to the United States Circuit Court of Appeals for the Second Circuit, for the reasons specified in the assignment of errors filed herewith, and prays that such appeal may be allowed, and that a citation issue to the above-named defendant commanding him to appear before said Circuit Court of Appeals to show cause, if any, why said decree, in the respects hereby appealed from, should not be corrected or reversed, and why speedy justice should not be done in that behalf.

Dated, November 29, 1915.

MARCONI WIRELESS TELEGRAPH CO.
OF AMERICA,
By SHEFFIELD & BETTS,

Plaintiff's Solicitors.

And now, to wit, this 7th day of December, 1915, on presentation and consideration of the foregoing petition, it is ordered that the aforesaid appeal be allowed, and a citation issue as prayed upon the plaintiff filing a bond in the sum of Two hundred and fifty (\$250.00) Dollars, to answer all damages and costs if it fails to make its appeal good.

LEARNED HAND,
United States District Judge.

Assignment of Errors.

United States District Court, Southern District of New York.

In Equity. Nos. 13-25.

On Marconi Patent No. 763,772.

MARCONI WIRELESS TELEGRAPH COMPANY OF AMERICA, Plaintiff,
vs.
EMIL J. SIMON, Defendant.

And now comes the above-named plaintiff by its solicitors
113 and presents, with its accompanying petition for appeal from
the final decree entered herein on the 24th day of November,
1915, the following assignment of errors:

The Court erred

1. In denying plaintiff's motion for a preliminary injunction
restraining defendant's infringement of claims 1, 3, 6, 8, 11 and
12 of the Marconi patent in suit No. 763,772.

2. In granting defendant's motion to dismiss the plaintiff's motion
for a preliminary injunction for lack of jurisdiction over defendant's
said infringement under his said contract with the Navy Department
of the United States.

3. In granting defendant's motion to dismiss the bill of complaint,
for lack of jurisdiction over defendant's said infringement under
his contract with the Navy Department of the United States.

4. In dismissing the bill of complaint.

5. In refusing to grant any preliminary injunction, restraining
any infringement by the defendant of any of said claims 1, 3, 6,
8, 11 and 12 of the patent in suit, No. 763,772.

6. In holding that the right of a holder of a patent to sue a contractor
with the Government for infringement existing before the Act "To
Provide Additional Protection for Owners of Patents of the United States
and for Other Purposes," approved June 25, 1910, did not survive after
the said Act of 1910.

7. In holding that the plaintiff, under the aforesaid Act "To
Provide Additional Protection for Owners of Patents of the
114 United States and for Other Purposes," has a remedy in the
Court of Claims for all profits earned by the defendant by reason
of his infringement of any of the said claims 1, 3, 6, 8, 11 and 12
of the Marconi Patent in suit, No. 763,772 and all damages sustained
by the plaintiff by reason of the defendant's said infringement.

8. In holding that the United States had acquired a license under
the Marconi Letters Patent in suit, No. 763,772.

9. In holding that the Court had no jurisdiction to grant an injunction
restraining the defendant's infringement of any of the said claims
1, 3, 6, 8, 11 and 12 of the Marconi patent in suit, No. 763,772,
or to grant an accounting of profits made by the defend-

ant by reason of said infringement, or an assessment of damages caused to the plaintiff by said infringement.

10. In holding that the Navy Department of the United States, through its officers, had appropriated by the right of eminent domain, a license to make, use or sell any or all of the inventions covered by any of the said claims 1, 3, 6, 8, 11 and 12 of the Marconi patent in suit, No. 763,772.

11. In holding that the defendant was not an infringer of any of the said claims 1, 3, 6, 8, 11 and 12 of the Marconi patent in suit, No. 763,772, because in manufacturing the apparatus embodying the inventions of any of the said claims of the patent in suit, and in supplying the same to the United States, or in intending to supply the same to the United States, the said defendant was supplying lawful goods to the lawful licensee.

115 12. In holding that the defendant, Simon, could not be a contributory infringer of any of the said claims 1, 3, 6, 8, 11 and 12 of the Marconi patent in suit, No. 763,772, because in manufacturing the alleged infringing apparatus and supplying it, or in intending to supply it to the United States under defendant's contract with the United States, the defendant was "doing a lawful thing."

Dated, November 30, 1915.

SHEFFIELD & BETTS,
Plaintiff's Solicitors.

Bond on Appeal.

United States District Court, Southern District of New York.

In Equity. Nos. 13-25.

On Marconi Patent No. 763,772.

MARCONI WIRELESS TELEGRAPH COMPANY OF AMERICA, Plaintiff.

vs.

EMIL J. SIMON, Defendant.

Know All Men by These Presents:

That we, Marconi Wireless Telegraph Company of America, the above-named plaintiff, a corporation organized and existing under and by virtue of the laws of the State of New Jersey, as
116 principal, and Fidelity and Deposit Company of Maryland, a corporation organized and existing under and by virtue of the laws of the State of Maryland, and having an office and principal place of business for the State of New York at No. 120 Broadway, in the Borough of Manhattan, in the City of New York, as surety are held and firmly bound unto the defendant, Emil J. Simon, in the sum of Two Hundred and Fifty (\$250.00) Dollars to be paid to the said defendant, Emil J. Simon, his executors and administrators, for the payment of which well and truly to be made,

we bind ourselves, our successors and assigns, jointly and severally, firmly by these presents.

Sealed under our seals, and dated this 3rd day of December, nineteen hundred and fifteen.

Whereas the above named plaintiff, Marconi Wireless Telegraph Company of America, has prosecuted or is about to prosecute an appeal to the United States Circuit Court of Appeals for the Second Circuit, to reverse or correct the final decree in the above entitled suit and entered in the office of the Clerk of the United States District Court for the Southern District of New York on November 24, 1915, dismissing the plaintiff's motion for a preliminary injunction and granting defendant's motion to dismiss the bill of complaint, and dismissing the said bill.

Now, Therefore, the condition of the above obligation is such that if the said plaintiff, Marconi Wireless Telegraph Company of America, shall prosecute the said appeal to effect and answer all costs if it shall fail to sustain said appeal, then the above obligation to be void; else to remain in full force and virtue.

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MARCONI WIRELESS TELEGRAPH
COMPANY OF AMERICA,

By JOHN W. GRIGGS,

President.

Attest:

J. BOTTOMLEY, *Secretary.*

FIDELITY AND DEPOSIT COM-
PANY OF MARYLAND,

By HUGH M. ALLWOOD,

Attorney-in-fact.

Attest:

FRANK A. EICKHOFF,

Attorney-in-fact.

[Seal of Fidelity & Deposit Co. of Md.]

STATE OF NEW YORK,

County of New York, ss:

On this 3rd day of December, 1915, before me personally came John W. Griggs, to me known, and who being by me duly sworn, did depose and say that he resides in the City of Paterson; that he is the President of the Marconi Wireless Telegraph Company of America, the corporation described in and which executed the within bond; that he knows the seal of said corporation; that the seal affixed to said bond is such corporate seal and was so affixed by order of the Board of Directors of said corporation, and that he signed his name thereto by like order.

JOHN W. GRIGGS.

Sworn to before me this 3rd day of December, 1915.

J. BOTTOMLEY,

Notary Public, New York County, No. 218.

New York Register No. 6109.

STATE OF NEW YORK,
County of New York, ss:

On the 4th day of December, in the year 1915, before me personally came Hugh M. Allwood, to me known, who, being by me duly sworn, did depose and say, that he resides in the City of New York; that he is the Attorney-in-Fact of the Fidelity and Deposit Company of Maryland, the corporation described in, and which executed the within instrument; that he knows the seal of said corporation; that the seal affixed to said instrument was such corporate seal; that it was so affixed by order of the Board of Directors of said corporation, and that he signed his name thereto by like order; and that the Fidelity and Deposit Company of Maryland has been duly authorized to transact business in the State of New York, in pursuance of the statutes in such case made and provided; and that the liabilities of said Company do not exceed its assets as ascertained in the manner provided in Section 183, of the Insurance Law, constituting Chapter 33 of the Consolidated Laws of the State of New York. And the said Hugh M. Allwood further said that he is acquainted with Frank A. Eickhoff and knew him to be the Attorney-in-Fact of said Company; that the signature of the said Frank A. Eickhoff subscribed to the within instrument, was in the genuine handwriting of the said Frank A. Eickhoff and was subscribed thereto by like order of the Board of Directors, and in the presence of him, the said Hugh M. Allwood.

[NOTARIAL SEAL.]

F. A. MASSEY,
Notary Public, New York County, No. 65.

119 At a regular meeting of the Board of Directors of the Fidelity and Deposit Company of Maryland, held in its office in the City of Baltimore, State of Maryland, on the 4th day of October, 1911, the following resolution was unanimously adopted:

"Resolved, That Henry B. Platt, Vice-President, James R. Kingsley, Attorney, Frank H. Platt, Edward T. Platt, Joseph A. Flynn, Hugh M. Allwood, Charles V. R. Marsh, Ernest L. Hicks and Frank A. Eickhoff, all of the City of New York, State of New York, be and each of them is hereby appointed Attorney-in-Fact of this Company and empowered to execute and deliver and attach the seal of the Company to any and all bonds or undertakings for or on behalf of this Company, in its business of guaranteeing the fidelity of persons holding places of public or private trust and the performance of contracts other than insurance policies, and executing or guaranteeing bonds or undertakings required or permitted in all actions or proceedings, or by law required, permitted or allowed.

"Such bonds or undertakings to be executed for the Company by any one of the said Henry B. Platt, James R. Kingsley, Frank H. Platt, Edward T. Platt, Joseph A. Flynn, Hugh M. Allwood,

"Charles V. R. Marsh, Ernest L. Hicks or Frank A. Eickhoff, and
 "to be attested in every instance by one other of the said Attorneys-
 "in-Fact, as occasion may require."

COUNTY OF NEW YORK, ss.:

I, Frank A. Eickhoff, Attorney-in-Fact of the Fidelity and Deposit Company of Maryland, have compared the foregoing
 120 Resolution with the original thereof, as recorded in the
 Minute Book of said Company, and do hereby certify that
 the same is a true and correct transcript therefrom, and of the
 whole of the said original Resolution. Given under my hand and
 the seal of the Company, at the City of New York, this 4th day of
 December, 1915.

FRANK A. EICKHOFF,
Attorney-in-Fact.

[Seal of Fidelity & Deposit Co. of Md.]

Fidelity and Deposit Company of Maryland.

Statement December 31, 1914.

Resources.

Home Office Building, Charles and Lexington Streets	\$2,375,000.00
Other Real Estate, 214 N. Charles St., etc.....	185,137.41
Bonds and Stocks	6,008,060.50
First Mortgage Loans	229,504.02
Agents' Debit Balances, Gross (Surety)	687,525.67
Agents' Debit Balances, Gross (Casualty)	892,013.38
Re-insurance due from other Companies	70,476.86
Bank Deposits for use of Branch Offices	76,840.00
Cash in Banks and Trust Companies	1,257,938.58
Total	\$11,782,496.42

Liabilities.

Reserve for Unearned Premiums	\$3,388,309.15
121 Reserve for Claims, Admitted and Unadmitted	2,019,604.24
Reserve for Agents' Commissions	384,123.90
Reserve for Premium Taxes, and Expenses in Transit	130,000.00
Reserve for Unpaid Re-insurance	41,978.03
Reserves—Special and Contingent	138,841.80
Capital Stock	\$3,000,000.00
Surplus	2,000,000.00
Undivided Profits	679,639.30
Surplus to Policyholders	5,679,639.30
Total	\$11,782,496.42

STATE OF NEW YORK,
County of New York, ss.:

Frank A. Eickhoff being duly sworn, says that he is the Attorney-in-Fact of the Fidelity and Deposit Company of Maryland, that the foregoing is a true and correct statement of the financial condition of said Company, as of December 31, 1914, to the best of his knowledge and belief, and that the financial condition of said Company is as favorable now as it was when such statement was made.

FRANK A. EICKHOFF.

Subscribed and sworn to before me, this 4th day of December, 1915.

[NOTARIAL SEAL.]

F. A. MASSEY,
Notary Public, New York County, No. 65.

United States District Court, Southern District of New York. In Equity 13-25.—Marconi Wireless Telegraph Company of America, plaintiff, vs. Emil J. Simon, defendant.—Bond on Appeal. Sheffield & Betts, plaintiff's solicitors, No. 52 William Street, Borough of Manhattan, New York City.—Within Bond approved, Dec. 7, 1915.—Learned Hand, U. S. D. J.

Citation.

United States District Court, Southern District of New York.

In Equity. Nos. 13-25.

MARCONI WIRELESS TELEGRAPH COMPANY OF AMERICA, Plaintiff,
vs.

EMIL J. SIMON, Defendant.

On Marconi Patent No. 763,772.

By the Hon. Learned Hand, one of the Judges of the United States District Court for the Southern District of New York, Holding Court in the Southern District of New York, to the Above-named Defendant, Emil J. Simon:

You are hereby cited and admonished to be and appear before the United States Circuit Court of Appeals for the Second Circuit to be holden in the Borough of Manhattan, city of New York, on the 22nd day of December, 1915, pursuant to an appeal filed in the Clerk's office of the United States District Court for the Southern District of New York wherein the Marconi Wireless Telegraph Company of America are appellants and you are appellee, to show cause, if there be any, why the final decree entered therein on the 24th day of November, 1915, and in the said appeal mentioned, should not be corrected or reversed, and speedy justice should not be done in that behalf.

Given under my hand in the Borough of Manhattan, City of New York, Southern District of New York, this 7th day of December, 1915.

LEARNED HAND,
United States District Judge.

Service of a copy of the above citation is hereby admitted this 8th day of December, 1915.

WALTER H. PUMPHREY,
Solicitor for Defendant.

Stipulation Præcipe.

United States District Court, Southern District of New York.

In Equity No. 13-25.

MARCONI WIRELESS TELEGRAPH COMPANY OF AMERICA, Plaintiff,
vs.

EMIL J. SIMON, Defendant.

On Marconi Patent No. 763,772.

It is hereby stipulated and agreed by and between the solicitors for the respective parties hereto, that the true transcript of
124 record, for the purpose of appeal from the final decree, filed November 24, 1915:

(a) Denying plaintiff's motion for a preliminary injunction;
and

(b) Granting defendant's motion to dismiss the bill of complaint herein, and to dismiss plaintiff's said motion for a preliminary injunction, for lack of jurisdiction over defendant's infringing business under his contract with the Navy Department of the United States, and dismissing the bill of complaint,

Shall consist of the following:

1. Subpœna with Marshal's return of service thereof attached.

2. Notice of motion for preliminary injunction.

3. Bill of Complaint.

4. Copy of Marconi Patent No. 763,772.

5. Affidavits in support of motion for preliminary injunction.

(a) Affidavit of John Bottomley, verified September 22, 1915.

(b) Affidavit of John W. Peters, verified September 22, 1915.

(c) Affidavit of Richard A. Ford, verified September 20, 1915.

(d) Affidavit of Walter S. Jones, verified September 22, 1915.

(e) Affidavit of David Sarnoff, verified September 23, 1915.

(f) Affidavit of Frank N. Waterman, verified September 24, 1915.

125 6. Exhibits attached to moving papers:

(a) Attached to Ford's affidavit:

1. Schedule No. 8121.

2. Letter dated June 21, 1915, from Emil J. Simon to Bureau of Supplies and Accounts, Navy Dept.

3. Letter dated May 20, 1915, from Emil J. Simon to Bureau of Steam Engineering, Navy Dept.

4. Letter from Navy Dept., Bureau of Steam Engineering, dated May 24, 1915, signed by R. S. Griffin, Engineer-in-Chief to Emil J. Simon.

(b) Attached to Sarnoff's affidavit: Sarnoff Diagram.

7. Stipulation of October 13, 1915, and order entered thereon on October 15, 1915, as to appearance of defendant and postponing hearing of injunction motion until Friday, November 5, 1915.

8. Order to show cause, dated November 3, 1915, why bill and motion for injunction should not be dismissed.

9. Affidavits and Exhibits attached to order to show cause:

(a) Affidavit of Emil J. Simon, verified November 4, 1915.

(b) Exhibit A attached to Simon's affidavit.

10. Plaintiff's notice of and affidavits used in opposition
126 to defendant's motion to dismiss the bill and motion for injunction:

(a) Notice of affidavits to be used.

(b) Affidavit of John Bottomley, verified November 9, 1915.

(c) Affidavit of Samuel M. Kintner, verified November 8, 1915.

(d) Affidavit of T. L. Townsend, verified November 2, 1915.

11. Defendant's affidavits and exhibits in rebuttal of plaintiff's affidavits in opposition to defendant's application to dismiss bill of complaint:

(a) Affidavit of Emil J. Simon, verified November 11, 1915.

(b) Letter dated November 1, 1915, from Franklin D. Roosevelt, Acting Secretary of the Navy, to W. H. Pumphrey.

12. Judge Hough's opinion denying the motion for preliminary injunction and dismissing bill.

13. Order of Judge Hough of November 24, 1915, dismissing bill, etc.

14. Notice of entry of Judge Hough's order, and admission of service by defendant's solicitor of said notice.

15. Appeal Papers:

(a) Notice of Appeal.

(b) Petition and Order on Appeal.

(c) Assignment of Errors.

(d) Bond for Costs.

(e) Citation with admission of service.

16. Stipulation of November 30, 1915, and order thereon dated November 7th, 1915, as to what shall be contained in the
127 Transcript of Record on Appeal.

It is further stipulated that three copies of each of the following may be handed up as physical exhibits, the same having been attached to or mentioned in the above affidavits.

1. Attached to Bottomley's affidavit, verified September 22, 1915, printed pamphlet of Wireless Cases on Lodge Patent No. 609,154 and Marconi Patent No. 763,772, containing full text of opinions, decrees and injunction orders, etc., against various parties sued for

infringement by the plaintiff herein, and marked "Bottomley's Exhibits A to G," inclusive.

2. Attached to John W. Peters' Affidavit, verified September 22, 1915:

(a) Justice Parker's decision and judgment in the High Court of Justice, Chancery Division, England, in Marconi's Wireless Telegraph Company, Ltd. vs. The British Radio Telegraph & Telephone Company, Ltd., sustaining corresponding British patent No. 7777 of 1900.

(b) Justice Eve's decision and judgment in the High Court of Justice, Chancery Division, England, in Marconi's Wireless Telegraph Company, Ltd. vs. The Helsby Wireless Telegraph Company, Ltd., sustaining corresponding British patent No. 7777 of 1900.

(c) Judgment delivered by the Civil Tribunal of the Seine, in Marconi's Wireless Telegraph Company, Ltd. vs. Societe Generale des Transports Maritimes and Others, sustaining corresponding French Patent No. 305,060.

3. Attached to affidavit of Frank N. Waterman, verified September 23, 1915, Navy Manual of 1915, and marked "Waterman's Exhibit A."

Dated, November 30, 1915.

SHEFFIELD & BETTS,
Solicitors for Plaintiff.
WALTER H. PUMPHREY,
Solicitor for Defendant.

Ordered accordingly.

Dated, Dec. 7, 1915.

E. HENRY LACOMBE,
U. S. Judge.

United States District Court, Southern District of New York.

In Equity. Nos. 13-25.

MARCONI WIRELESS TELEGRAPH COMPANY OF AMERICA, Plaintiff,
vs.

EMIL J. SIMON, Defendant.

On Marconi Patent No. 763,772.

It is hereby stipulated and agreed, that the foregoing is a true transcript of the record of the said District Court in the above-entitled matter as agreed on by the parties.

Dated, December —, 1915.

SHEFFIELD & BETTS,
Attorneys for Plaintiff.
WALTER H. PUMPHREY,
Attorney for Defendant.

United States District Court, Southern District of New York.

In Equity. Nos. 13-25.

MARCONI WIRELESS TELEGRAPH COMPANY OF AMERICA, Plaintiff,
vs.
EMIL J. SIMON, Defendant.

On Marconi Patent No. 763,772.

I, Alexander Gilchrist, Jr., Clerk of the District Court of the United States of America for the Southern District of New York, do hereby certify that the foregoing is a correct transcript of the record of the said District Court in the above-entitled matter as agreed on by the parties.

In testimony whereof, I have caused the seal of the said Court to be hereunto affixed, at the City of New York, in the Southern District of New York, this — day of December, in the year of our Lord one thousand nine hundred and fifteen and of the Independence of the said United States the one hundred and fortieth.

— — —, Clerk.

130

Navy Department.

S/N/Dr.
F. D. R.

WASHINGTON, November 4, 1915.

The Honorable the Judge of the U. S. District Court, Southern District of New York.

SIR: This Department having been advised that the Marconi Wireless Telegraph Company of America, has brought suit against Emil J. Simon, and made a motion for preliminary injunction, for alleged infringement of Marconi patent No. 763,772, by reason of his having made a contract with this Department to furnish it twenty-five ½ K. W. radio transmitting sets, and that the hearing on the motion for preliminary injunction is set for the 5th instant, I have the honor to advise the Court that any interruption of or interference with, by injunction or otherwise, the fulfillment by Mr. Emil J. Simon, the defendant in said case, of his contract with this Department for such radio apparatus would embarrass the Department and seriously disadvantage the public interests, and that any hindrance of business relations with him would be detrimental to the interests of the naval service.

In thus bringing this matter to the Court's notice the Department invites attention to the fact that in several previous cases of litigation involving wireless telegraph patents, the Court was informed that the Government's interests were involved as they are here and the Court in each such case declined to interfere with the performance by the contractor of his undertaking with the Department. The cases referred to are the National Electric Signaling

131 Company v. The Marconi Wireless Telegraph Company of America; the National Electric Signaling Company v. The Atlantic Communication Company; the Marconi Wireless Telegraph Company of America v. The Atlantic Communication Company; and the Marconi Wireless Telegraph Company of America v. Fritz Lowenstein (in both of which two last mentioned cases the action was based on the Marconi patent here involved).

Very respectfully,

FRANKLIN D. ROOSEVELT,
Acting Secretary.

G. E.

132 United States Circuit Court of Appeals for the Second Circuit,
October Term, 1915.

No. 220.

Argued February 7, 1916; Decided March 14, 1916.

Appeal from the District Court of the United States for the Southern
District of New York.

MARCONI WIRELESS TELEGRAPH COMPANY
OF AMERICA, Complainant-Appellant,

vs.

EMIL J. SIMON, Defendant-Appellee.

Before Coxe, Ward and Rogers, Circuit Judges.

Per Curiam:

The decree of the District Court is affirmed on the opinion of
Judge Hough.

133 United States Circuit Court of Appeals for the Second Circuit,
October Term, 1915.

No. 220.

Argued February 7, 1916; Decided March 14, 1916.

Appeal from the District Court of the United States for the Southern
District of New York.

MARCONI WIRELESS TELEGRAPH COMPANY
OF AMERICA, Complainant-Appellant,
vs.
EMIL J. SIMON, Defendant-Appellee.

Before Coxe, Ward and Rogers, Circuit Judges.

WARD, *Circuit Judge* (dissenting):

The Navy Department contracted with one Simon to construct radio apparatus for certain vessels of war. Thereupon the Marconi Company filed a bill against Simon alleging that in so doing he was infringing its patent and praying for an injunction and accounting.

The complainant moved for a preliminary injunction and the defendant moved that the bill be dismissed.

The District Judge denied the motion for a preliminary injunction and granted the motion to dismiss on the ground that the Act of June 25, 1910 made the Government a licensee of the complainant
134 patentee and that the defendant Simon in making the patented apparatus for a licensee was not an infringer. For the purposes of this appeal Simon's apparatus unless constructed under a license from the complainant must be considered an infringement.

A taking of property by eminent domain is an admission that the Government is not the owner of the property taken and a promise to pay the owner is therefore implied. For such a taking by the Government a patentee had previous to 1910 a right to recover in the Court of Claims, U. S. Rev. Stat. Sec. 1059 and by the Tucker Act in the Circuit Court of the United States, Chap. 359, L. 1887.

But the Act of June 25, 1910 provided for an entirely different situation, viz: the Government's asserting its right to use the thing or process patented without the consent of the patentee. For this situation there had been no remedy for the patentee against the Government.

I think Congress did not intend to create the relation of licensor and licensee between the Government and the patentee when the Government claimed to be acting within its rights, but merely to give the patentee what the title of the act correctly describes as

additional protection, viz., a remedy in case of a tortious taking under a claim of right. That is the present case.

Nor do I think that Congress intended to take away from patentees the right of suing independent contractors with the Government. The case of officers of the Government stands on a different ground because suing them is tantamount to suing the sovereign. Courts out of regard for public policy will no doubt refuse to interfere in proper cases with Government activities by enjoining independent contractors as a matter of discretion, just as the District Judge has done, but the bill should not be dismissed even if the injunction be denied. For these reasons I think that the decree, so far as it dismisses the bill, should be reversed.

L. F. H. Betts for the Appellant.

W. H. Pumphrey for the Appellee.

C. V. Edwards for Cramp & Sons, Amicus Curiae.

135 At a Stated Term of the United States Circuit Court of Appeals, in and for the Second Circuit, Held at the Court-rooms in the Post-office Building in the City of New York, on the 24th Day of March, One Thousand Nine Hundred and Sixteen.

Present: Hon. Alfred C. Coxe, Hon. Henry G. Ward, Hon. Henry Wade Rogers, Circuit Judges.

MARCONI WIRELESS TELEGRAPH COMPANY
OF AMERICA, Complainant-Appellant,

v.

EMIL J. SIMON, Defendant-Appellee.

Appeal from the District Court of the United States for the Southern District of New York.

This cause came on to be heard on the transcript of record from the District Court of the United States, for the Southern District of New York, and was argued by counsel.

On consideration whereof, it is now hereby ordered, adjudged and decreed that the decree of said District Court be and it hereby is affirmed with costs.

A. C. C.

It is further ordered that a Mandate issue to the said District Court in accordance with this decree.

136 Endorsed: United States Circuit Court of Appeals, Second Circuit. Marconi Co. vs. E. J. Simon. Order for Mandate. United States Circuit Court of Appeals, Second Circuit. Filed March 24, 1916. William Parkin, Clerk.

137 UNITED STATES OF AMERICA,
Southern District of New York, ss:

I, William Parkin, Clerk of the United States Circuit Court of Appeals for the Second Circuit, do hereby Certify that the foregoing pages, numbered from 1 to 136 inclusive, contain a true and complete transcript of the record and proceedings had in said Court, in the case of Marconi Wireless Telegraph Company of America, against Emil J. Simon as the same remain of record and on file in my office.

In Testimony whereof, I have caused the seal of the said Court to be hereunto affixed, at the City of New York, in the Southern District of New York, in the Second Circuit, this 1st day of May in the year of our Lord One Thousand Nine Hundred and Sixteen and of the Independence of the said United States the One Hundred and Fortieth.

[Seal United States Circuit Court of Appeals, Second Circuit.]

WM. PARKIN, *Clerk.*

138 UNITED STATES OF AMERICA, *ss:*

The President of the United States of America, to the Honorable the Judges of the United States Circuit Court of Appeals for the Second Circuit, Greeting:

Being informed that there is now pending before you a suit in which Marconi Wireless Telegraph Company of America is appellant, and Emil J. Simon is appellee, No. 220, which suit was removed into the said Circuit Court of Appeals by virtue of an appeal from the District Court of the United States for the Southern District of New York, and we, being willing for certain reasons that the said cause and the record and proceedings therein should

be certified by the said Circuit Court of Appeals and removed
 139 into the Supreme Court of the United States, do hereby command you that you send without delay to the said Supreme Court, as aforesaid, the record and proceedings in said cause, so that the said Supreme Court may act thereon as of right and according to law ought to be done.

Witness the Honorable Edward D. White, Chief Justice of the United States, the sixteenth day of June, in the year of our Lord one thousand nine hundred and sixteen.

JAMES D. MAHER,

Clerk of the Supreme Court of the United States.

[Endorsed:] File No. 25296. Supreme Court of the United States, October Term, 1916. No. 485. Marconi Wireless Telegraph Company of America vs. Emil J. Simon. Writ of Certiorari. United States Circuit Court of Appeals, Second Circuit. Filed Jun- 26, 1916. William Parkin, Clerk.

140 United States Circuit Court of Appeals for the Second Circuit.

No. 220. On Marconi Patent No. 763,772.

MARCONI WIRELESS TELEGRAPH COMPANY OF AMERICA, Appellant,
vs.
EMIL J. SIMON, Appellee.

It is hereby stipulated and agreed between the counsel for the respective parties in the above entitled action, that the certified copy of transcript of record on file in the Clerk's office of the United States Supreme Court on the petition, for writ of certiorari herein shall stand as the return to the writ of certiorari issued herein by the United States Supreme Court to the United States Circuit Court of Appeals.

Dated New York June 20, 1916.

L. F. H. BETTS,
Counsel for Appellant.
WALTER H. PUMPHREY,
Counsel for Appellee.

Endorsed: United States Circuit Court of Appeals for the Second Circuit No. 220. Marconi Wireless Telegraph Company of America, appellant, vs Emil J. Simon Appellee. Stipulation. Sheffield & Betts, counsel for appellant, No. 52 William Street Borough of Manhattan New York City. United States Circuit Court of Appeals Second Circuit Filed Jun 26, 1916 William Parkin, Clerk.

141 To the Supreme Court of the United States, Greeting:

The record and all proceedings whereof mention is within made having lately been certified and filed in the office of the clerk of the Supreme Court of the United States, a copy of the stipulation of counsel is hereto annexed and certified as a return to the writ of certiorari issued herein.

Dated, New York, June 28th, 1916.

WM. PARKIN,
*Clerk of the United States Circuit Court
of Appeals for the Second Circuit.*

142 [Endorsed:] 485-16/25296. United States Circuit Court of Appeals, Second Circuit. Marconi Wireless Tel. Co. vs. Emil J. Simon. Return to Certiorari.

143 [Endorsed:] File No. 25296. Supreme Court U. S., October term, 1916. Term No. 485. Marconi Wireless Telegraph Company of America, Petitioner, vs. Emil J. Simon. Writ of certiorari and return. Filed July 3, 1916.

WRITING SUPPLEMENT COURT, U. S.
FILED
JAN 31 1917
JAMES D. MAYER
CLERK

SUPREME COURT OF THE UNITED STATES

OCTOBER TERM 1915—No. 168

MARCONI WIRELESS TELEGRAPH COMPANY
OF AMERICA,

Petitioner.

against

EMIL J. SIMON,

Respondent.

Motion and Notice of Motion

JOHN W. GREGG,
JAMES R. SHEFFIELD,
Counsel for Petitioner.

IN THE
Supreme Court of the United States,

OCTOBER TERM 1915.

No. 485.

MARCONI WIRELESS TELEGRAPH COM-
PANY OF AMERICA,

Petitioner,

vs.

EMIL J. SIMON,

Respondent.

Notice.

Sir:

Please take notice that the annexed motion to advance the argument in the above numbered and entitled cause, will be submitted to the Supreme Court of the United States for the decision of the Court thereon, at its court rooms in the City of Washington, District of Columbia. on Monday, February 5, 1917, at the opening of Court on that day, or as soon thereafter as counsel can be heard. Dated, New York, January 27, 1917.

JOHN W. GRIGGS.

JAMES R. SHEFFIELD,

Counsel for Petitioner.

To

WALTER H. PUMPHREY, Esq.,

Counsel for Respondent,

61 Broadway,

Borough of Manhattan,

New York, N. Y.

1

IN THE
SUPREME COURT OF THE UNITED STATES,
OCTOBER TERM 1915.
No. 485.

MARCONI WIRELESS TELEGRAPH COM-
PANY OF AMERICA,
Petitioner,

vs.

EMIL J. SIMON,
Respondent.

2

**On a Writ of Certiorari to the United States
Circuit Court of Appeals for the Second
Circuit.**

MOTION BY PETITIONER TO ADVANCE.

Comes now the petitioner, Marconi Wireless Telegraph Company of America, and respectfully moves the Court to advance the above-entitled cause for hearing on a day convenient to the Court.

3

This is a suit in equity against the respondent for an injunction restraining him generally from the infringement of the Marconi patent No. 763,772 for improvements in wireless telegraph apparatus, and in particular, from making and selling apparatus which infringed said patent, to the United States under a contract between it and the respondent, and for damages sustained by the petitioner and profits made by the respondent, by reason of his infringement.

On the motion of the respondent, the District Court entered a final decree, which was affirmed by the Circuit

4 Court of Appeals, dismissing petitioner's motion for a preliminary injunction restraining the respondent's infringement, and dismissing the bill of complaint for lack of jurisdiction over respondent's infringing business under his said contract with the United States, in view of the Act approved June 25, 1910, providing for suits to recover reasonable compensation from the United States, in cases where it has without license or lawful right made use of an invention of a patent. The lower Courts held that the Act of June 25, 1910, conferred upon the United States and contractors with it a license to use patented inventions.

5 The questions involved are the following propositions of law:

(a) Does the said Act of Congress of 1910, as construed by this Court in the case of *Krupp v. Crozier*, 224 U. S., 290, confer on the United States Government a license under patents granted by the United States and admittedly valid, without the consent of the owner of the patent, including the right to license individual contractors to make and sell apparatus to the Government to such an extent as to deprive the District Courts of jurisdiction of suits brought against such contractors?

6

(b) Does the Act of 1910 confer a right and license on contractors engaged in supplying apparatus to the United States Government or its Departments to appropriate, without the patentee's consent, any and all inventions protected by letters patent owned by others as may be necessary in carrying out their contracts, and make them immune not only to suits for injunctions, but also to suits seeking an account of profits which they make as makers and vendors of such patented apparatus, and an assessment of damages which the owner of the

patent may sustain by reason of the infringement? 7

(c) Was it the purpose of the Act of 1910 to provide compensation for compulsory license in favor of the United States and contractors with it, under patents, the inventions of which the United States and such contractors may appropriate, and at the same time to provide that the United States may deny the title, validity or existence of the patent property appropriated by it, in a suit against it under the Act for compensation for such appropriation by it? 8

(d) Does the Act of 1910 take away from the owners of patents the right theretofore had to sue infringing contractors with or vendors to the United States Government and to obtain injunctions restraining such contractors and vendors from infringement, and to recover damages and profits from them?

(e) Is the Act of 1910 an enlarging and remedial statute giving to patentees a right to sue the United States in tort for infringement, or has it the effect of conferring a license on the United States and those selling apparatus to it? 9

These questions are of general public importance, and an early determination thereof by this Court is very desirable for the following reasons:

They involve grave Governmental interests, and the interest of all individuals, firms and corporations holding patents on any method, article or commodity which may be required or procured by the Government or any of its departments, and which they may from time to time purchase or contract to purchase from infringing

10 manufacturers, dealers, or those who are making use of the patented inventions, without license or lawful right.

The decision of this Court on the questions here involved will govern the future prosecution, by owners of patents, of suits for infringement thereof against those with whom the United States contracts for the patented apparatus or methods; the future prosecution of suits against the United States in the Court of Claims for reasonable compensation for the use of patented inventions by the United States directly or by contract, and the future conduct of owners of patents, the inventions of
 11 which may be so used by the United States, in their dealings with the United States and contractors with them, as well as the future dealings of the United States with such contractors.

There are now pending in the Circuit Court of Appeals for the First and Third Circuits, appeals from decrees dismissing the bills in two cases, each entitled *Electric Boat Company vs. Lake Torpedo Boat Company*, on the authority of the decisions of the Court of Appeals of the Second Circuit in this suit. These appeals involve similar questions to those raised in this suit, and counsel for the petitioner herein are informed that the arguments of
 12 those appeals are awaiting the decision of this Court in this suit.

There are also pending in the United States Court of Claims suits against the United States, including one by your petitioner, under the said Act of June 25, 1910, in which the question is raised of the liability of the United States for the damages caused and profits made by contractors for infringing apparatus manufactured and sold by them to, and used by, the United States, and which question is before this Court in this suit, whose decision thereon is desirable and expedient before counsel for the claimants in those cases introduce their evi-

dence of reasonable compensation or measure of damages 13
for infringement under the Act, and before the Court of
Claims renders a decision on such questions.

Notice of this motion has been served upon opposing
counsel. Counsel for the petitioner suggest that the case
be set for the first Monday in April, 1917, should the
convenience of the Court so permit.

Respectfully submitted,

JOHN W. GRIGGS,
JAMES R. SHEFFIELD,
Of Counsel for Petitioner.

January, 1917.

Office Supreme Court, U. S.

FILED

FEB 3 1917

JAMES D. MAHER
CLERK

IN THE
SUPREME COURT OF THE UNITED STATES.

OCTOBER TERM, 1915.

No.  168

MARCONI WIRELESS TELEGRAPH COM-
PANY OF AMERICA,
Petitioner,

v.

EMIL J. SIMON,
Respondent.

In connection with the petitioner's motion to advance the argument of this case, respondent respectfully calls the attention of the Court to the fact that on February 3, 1917, there was filed in the Office of the Clerk of the Court a petition for writ of certiorari (filed at the request of the Navy Department) in another case, presenting a question similar to that involved in this case but upon a somewhat different state of facts, which case the Navy Department is desirous of having considered with the case at bar. The case referred to is that of William Cramp and Sons Ship and Engine Building Company, Petitioner, *v.* International Curtis Marine Turbine Company *et al.*, Respondents. In that case notice of submission of the petition has been

given for March 5, 1917, that being the earliest date for which such notice could be given.

It is respectfully submitted that if the Court favorably considers the motion to advance the case at bar, a date will be fixed, which will permit the consideration of the petition for certiorari in the said Cramp *v.* Curtis case and the hearing of that case with this case, if the said petition be granted.

Respectfully submitted,

WALTER H. PUMPHREY,
Counsel for Respondent.

Supreme Court of the United States

OCTOBER TERM, 1915.

No. 1 [REDACTED] 34 [REDACTED] 168

**MARCONI WIRELESS TELEGRAPH COMPANY OF
AMERICA,**

Petitioner,

vs.

EMIL J. SIMON,

Respondent.

**MEMORANDUM ON BEHALF OF RESPONDENT IN OPPO-
SITION TO PETITION FOR WRIT OF CERTIORARI**

WALTER H. PUMPHREY,
Attorney and of Counsel for Respondent.



Due service of memorandum on behalf of respondent in opposition to petition for writ of certiorari, is hereby admitted this 2nd day of June, 1916.

JOHN W. GRIGGS,
Attorney and of Counsel for Petitioner, Marconi Wireless Telegraph Company of America.

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Supreme Court of the United States

MARCONI WIRELESS TELEGRAPH
COMPANY OF AMERICA,
Petitioners,

vs.

EMIL J. SIMON,
Respondent.

MEMORANDUM ON BEHALF OF RESPONDENT IN OPPOSITION TO PETITION FOR WRIT OF CERTIORARI.

I.

The decision in the case at bar is not in conflict with the decision of any other Court.

The case of *Firth-Sterling Steel Company v. Bethlehem Steel Company*, 216 F. R., 754, was based entirely on infringement which occurred between January 4, 1910, and March 3, 1910, the date on which the bill of complaint was filed. The Court having found that the acts charged, which occurred before the passage of the Act of June 25, 1910, constituted a *prima facie* case of infringement, ordered a general accounting. The Court did not pass upon the question of whether or not a transaction with the Government occurring subsequent to June 25, 1910, would be an infringing act. Upon

appeal, the *Firth-Sterling* case was reversed upon the ground of invalidity of the patent in suit.

In *International Curtis Marine Turbine Co. et al. v. William Cramp & Sons Ship & Engine Building Co.*, 211 F. R., 124, the infringement passed upon occurred prior to the passage of the Act of June 25, 1910. The Court did not decide that a transaction with the Government subsequent to June 25, 1910, would be an infringement. On the contrary, the clear intimation of the Court was to the effect that it would not be, the Court saying:

"But since the suit was brought, the act of 1910 has been passed, and has been interpreted by the Supreme Court in the recent case of *Crozier v. Krupp*, 224 U. S., 290, 32 Sup. Ct., 488, 56 L. Ed., 771. This statute, we think, furnishes a practical solution of the questions arising upon this branch of the case. Even if the plaintiffs did not disclaim the desire to interfere with the government's possession of the vessels, there is no longer any ground upon which a final injunction can be properly rested, even in a suit against a contractor with the government, where the dispute concerns such property as vessels of war."

Subsequently, in the same *Curtis v. Cramp* case, the plaintiff sought to include within the accounting certain transactions occurring subsequent to June 25, 1910, and Judge THOMPSON, in an opinion not yet reported, but a copy of which is annexed to this brief (Exhibit A), declined to include such transactions, following the decision of the Circuit Court of Appeals for the Second Circuit in the case at bar.

II.

The dissenting opinion of his Honor Judge WARD in the case at bar is basically opposed to the decision of this Court in the case of *Crozier v. Krupp*, 224 U. S., 290. His Honor Judge WARD expressly puts his dissent upon the ground that the Act of June 25, 1910, is not the exercise of the right of eminent domain but intends merely to give to a patentee the right to bring a tort suit against the Government in the Court of Claims. But this Court, in *Crozier v. Krupp*, explicitly held that the act is an exercise of the right of eminent domain and that, in view thereof, no injunction could issue against an officer of the Government. If the act had been merely one authorizing suit against the Government in the Court of Claims, there would have been no reason for dismissing the suit against the individual Crozier.

III.

Before the passage of the Act of June 25, 1910, much uncertainty existed as to the situation of a patentee whose patent was infringed by the Government.

A long line of cases had uniformly held that no suit could be brought against the Government unless a contract express or implied could be proven.

Schillinger v. U. S., 155 U. S., 163.

United States v. Berdan, 156 U. S., 552.

Many attempts to hold officers of the Government and contractors dealing with the Government resulted. So far as we can ascertain, none of these

attempts was ultimately successful. In this court all of such cases were dismissed. See *Belknap v. Schild*, 161 U. S., 10; *Cammeyer v. Newton*, 94 U. S., 225; *Atlantic Works v. Brady*, 107 U. S., 192; *Benedict & Burnham Mfg. Co. v. Hollister*, 113 U. S., 59; *Dashiell v. Grosvenor*, 162 U. S., 425; and *International Postal Supply Co. v. Bruce*, 194 U. S., 601.

In *Cammeyer v. Newton*, this Court expressed doubt as to whether such an action could be maintained, but reserved its judgment thereon. This doubt was repeated in *Benedict & Burnham Mfg. Co. v. Hollister*, and as late as *Dashiell v. Grosvenor* this Court called attention to the fact that it had not decided the question.

In the Circuit Courts of Appeal at the time of the passage of the Act of 1910, the Circuit Court of Appeals for the Fourth Circuit in *Dashiell v. Grosvenor*, 66 F. R., 334, and the Circuit Court of Appeals for the Second Circuit in the case of *International Postal Supply Co. v. Bruce*, 114 F. R., 549, had both ruled against entertaining jurisdiction even against acts committed prior to the passage of the act. In 1912, however, the Circuit Court of Appeals for the Third Circuit, in *Curtis v. Cramp*, 202 F. R., 932, upheld the right to maintain jurisdiction over such acts. The question there involved, however, is not involved in the present case, because the present case deals only with a transaction occurring subsequent to the passage of the act.

The Act of June 25, 1910, as is pointed out in *Crozier v. Krupp*, dealt with the unsatisfactory operation of the statute law and relieved patentees of the injustice of being unable to get compensation for Government use of their inventions. It also

relieved the Government and its agents of the dangers and annoyances incident to the numerous attempts to do indirectly that which could not be done directly. In order to protect the Government and those dealing with it from harassment by litigation, and thereby not only relieving the Government from direct litigation but also relieving the Government of the indirect interference by threats of injunction against its agents and also by threats of prying into Government transactions under the guise of conducting an accounting proceeding against an individual, the Government exercised the right of eminent domain and agreed to make compensation for its use of the invention, thereby entitling itself to the benefits of the invention made use of and protecting those dealing with the Government. The language of the statute is broad covering the right to use the *invention*, thus including every right. Even if the language were limited to the right to "use" a machine, however, such right would include the right to have the machine made. *Crozier v. Krupp*, 224 U. S., 290, at page 306, refers to the purpose of the act to avoid interference with the right of the Government "to make and use." *Illingworth v. Spaulding*, 43 F. R., 827; *Stonecutter Co. v. Shortsleeves*, 16 Blatchf., 381; *Johnson Railroad Signal Co. v. Union Switch & Signal Co.*, 55 F. R., 487.

In *Crozier v. Krupp*, at page 307, this Court emphasized that the purpose of the statute was to provide for the exercise of the power of eminent domain, and at pages 305 and 306 explains this in detail, as follows:

"That is to say, it adds to the right to sue the United States in the Court of Claims already conferred when contract relations

exist the right to sue even although no element of contract is present. And to render the power thus conferred efficacious the statute endows any owner of a patent with the right to establish contradictorily with the United States the truth of his belief that his rights have been in whole or in part appropriated by an officer of the United States, and if he does so establish such appropriation that the United States shall be considered as having ratified the act of the officer and be treated as responsible pecuniarily for the consequences. These results of the statute are the obvious consequences of the power which it confers upon the patentee to seek redress in the Court of Claims for any injury which he asserts may have been inflicted upon him by the unwarranted use of his patented invention and the nature and character of the defenses which the statute prescribes may be made by the United States to such an action when brought. The adoption by the United States of the wrongful act of an officer is of course an adoption of the act when and as committed, and causes such act of the officer to be, in virtue of the statute, a rightful appropriation by the Government, for which compensation is provided. In substance, therefore, in this case, in view of the public nature of the subjects with which the patents in question are concerned and the undoubted authority of the United States as to such subjects to exert the power of eminent domain, the statute, looking at the substance of things, provides for the appropriation of a license to use the inventions, the appropriation thus made being sanctioned by the means of compensation for which the statute provides."

The provisions of the act are most fair for both the Government and the patentee, and as construed by this Court in *Crozier v. Krupp*, *supra*, is sub-

stantially similar to the statute law of the principal foreign countries.

Patentees as a class do not desire to lock up their inventions and prevent any use thereof, but, on the contrary, are desirous of having their inventions used widely providing they obtain compensation therefor. The Act of June 25, 1910, provides for full compensation to the patentee and in a practical and fair manner operates to relieve the Government and its agents from harassing litigation.

IV.

It is also urged that as the petitioner had the right of appeal from the District Court direct to this Court (*United States v. Jahn*, 155 U. S., 109; *A. Bryant Co. v. N. Y. Steam Fitting Co.*, 235 U. S., 327; *Girin v. United States*, 184 U. S., 669; *McLish v. Roff*, 141 U. S., 668; *Chicago, St. Paul, Etc., Ry. Co. v. Roberts*, 141 U. S., 690; *City of Paducah v. East Tennessee Telephone Co.*, 182 Fed. Rep., 625; *Collins v. Board of Control, Etc.*, 219 Fed. Rep., 885; *Rogers et al. v. Hennepin County et al.*, 220 Fed. Rep., 453; *Tyler Co. v. Ludlow-Sayler Wire Co.*, 236 U. S., 723, 212 Fed. Rep., 156), which it did not exercise, it is not now entitled to a review of the case on writ of certiorari. (*In re Tampa Suburban Co.*, 168 U. S., 583; *American Construction Co. v. Jacksonville R. R.*, 148 U. S., 372; *In re Chetwood, Petitioner*, 165 U. S., at 462; *Fields v. United States*, 205 U. S., 292.)

CONCLUSION.

For the reasons above stated, it is respectfully submitted that the writ prayed for should be denied.

WALTER H. PUMPHREY,
Counsel for Respondent.

Exhibit A.

IN THE DISTRICT COURT OF THE
UNITED STATES,

FOR THE EASTERN DISTRICT OF PENNSYLVANIA.

INTERNATIONAL CURTIS MARINE
TURBINE COMPANY and CURTIS
MARINE TURBINE COMPANY OF
THE UNITED STATES

vs.

WILLIAM CRAMP & SONS SHIP
AND ENGINE BUILDING COM-
PANY

263
In Equity.

UPON RE-HEARING SUR DEFENDANT'S MOTION TO
EXCLUDE EVIDENCE BEFORE THE SPECIAL MASTER.

(Filed 21 March, 1916)

THOMPSON, J.

Since the argument upon the re-hearing, the Circuit Court of Appeals for the Second Circuit has affirmed the decree of Judge HOUGH in the case of *Marconi Wireless Telegraph Company of America v. Emil J. Simon*, upon Judge HOUGH's opinion, Judge WARD dissenting.

Judge HOUGH in his opinion said:

"The questions therefore became the following: (1) What is the legal position of the

sovereign in respect of patent rights granted by itself under the Act of 1910? (2) How does that act, or more accurately the legal position of the United States thereunder, affect or protect an independent contractor?

So far as the first query is concerned it has been fully and finally answered by *Crozier v. Krupp* (224 U. S., at 305), which holds that having regard to 'the undoubted authority of the United States as to such subjects (as patents) to exercise the power of eminent domain, the statute * * * provides for *the appropriation of a license to use the inventions*, the APPROPRIATION thus made being sanctioned by means of compensation for which the statute provides.'

It may in some sense be true, as is urged by the plaintiff, that the act is remedial and does not disturb any of the rights of a patentee which existed before its passage. But it is also true that if the act creates a legal *status* the relation of the holder of that status to the rest of the world is affected by the statute, whether such change or modification of relation be specifically mentioned or described in the act or not.

The Supreme Court has defined the somewhat inartificial language of the statute. What the act contemplates being done by the United States is to *use* an invention 'described in and covered by a patent.' This is held to be equivalent to the expropriation or appropriation of a 'license to use the inventions'. This means a license in its widest sense, *i. e.*, both to make and to use, and possibly to sell, but certainly both to make and to use.

In this instance the navy, through its officers, has appropriated by right of eminent domain a license to make and use any and all articles covered by the patent in suit. It could plainly make them in its own yards or other work places by its hired employes or permanent officers. It could take Simon into its employment at a stated stipend, and it could even make that stipend the exact amount of his estimated profit under the contract. If this has been done the plaintiff could certainly do nothing but institute an action in the Court of Claims. Simon would be immune as an admiral. However repugnant to business and professional feeling this method of riding roughshod over the rights of a patentee may be, it is difficult for me to perceive that there is any substantial difference between what the government admittedly might have done and what it has done in respect of this contract. Any distinction drawn between doing an infringing job by day's work and doing the same job by contract is without substance.

But it is said (and here hangs the plaintiff's whole case) that before the Act of 1910 the holder of a patent could sue a contractor with the government for infringement as fully and as freely as he could any one else, provided always that he did not by injunction or otherwise interfere with government possession of anything (however obnoxious to the patentee's rights) actually in governmental use (*Brady v. Atlantic Works, supra; International, &c., Co. v. Crump*, 211 Fed. Rep. 124, and cases therein cited). In my opinion this is true, but not so as to the corollary stated by plaintiff, viz., that since this right existed before the Act

of 1910 and is not explicitly taken away by that statute, it must still survive as fully as of old. If the reason of the law fails, the law ought to fail with it; this maxim seems to me to apply very forcibly here. The reason for permitting actions for infringement by private parties against government contractors was that since infringement was a *tort*, and the United States had never consented to be sued *in tort*, patentees were without remedy. Now they have such remedy under the statute, and cannot take what the statute gives (or imposes) and retain what they had before if it interferes with governmental enjoyment of its license.

The United States has a license under this patent to make, use and perhaps to sell, to any extent deemed beneficial to the Commonwealth, and without any territorial or other limitation upon its own right. A license to make and use is not (in the absence of specific language in his license) limited to making with his own hands, in his own shop, or by his own employes. He may employ, procure or contract with as many persons as he chooses to supply him with that which he may lawfully use, provided such conduct does not change his relation to the licensor. In my opinion this is exactly what the government has done here, and Simon is not an infringer because he is supplying lawful goods to a lawful licensee (*Foster Hose Sup-
porter Co. v. Taylor Co.*, 191 Fed. Rep., 1003)."

The decision of the Circuit Court of Appeals for the Second Circuit adopting the opinion of Judge HOUGH is to be regarded as decisive of the question here raised, unless the Circuit Court of Appeals for this Circuit in its opinion and decree ordering an

accounting determined as the law of this case that, in a suit by a patentee against an independent contractor, an accounting should be had of profits accruing in making turbine engines for torpedo boat destroyers for the Government under contracts entered into after June 25, 1910.

The present suit was commenced in 1909, and the contracts under consideration upon the appeal were Nos. 30 and 31, entered into in 1908. There was apparently nothing before the Court relating to contracts with the Government subsequent to the passage of the Act of June 25, 1910, and there is no discussion of any such transactions by the Court in its opinions. Contracts Nos. 47, 48, 49 and 50 were not entered into until 1911, and it is apparent that the sole question before the Court, where the question of jurisdiction was discussed, was one of equitable jurisdiction of a suit begun prior to the Act of June 25, 1910. This is apparent from the following language in Judge BUFFINGTON's opinion (211 Fed., at page 152) :

"Since the litigation began, the *two torpedo boat destroyers referred to* have been finished and delivered to the government and the plaintiffs do not now ask that the decree shall in any wise be directed against these vessels, or against the government in respect thereof. The bill contains no averment that the defendant is building or threatening to build infringing turbines *for commercial use*; only certain ships of war are involved in the suit; and, for reasons to be briefly stated, we are of opinion that no injunction should now be granted. We do not agree that the court below should have dismissed the bill for want of jurisdiction. Neither the United States nor one of its

officers is a party defendant, but the suit is brought solely against a private corporation that had contracted to do certain public work.

The bill was filed in 1909, and we think *there was then* no doubt that the court below had the right to entertain it. * * *

But since the suit was brought, the act of 1910 has been passed, and has been interpreted by the Supreme Court in the recent case of *Crozier v. Krupp*, 224 U. S., 290, 32 Sup. Ct., 488, 56 L. Ed., 771. This statute, we think, furnishes a practical solution of the questions arising upon this branch of the case. Even if the plaintiffs did not disclaim the desire to interfere with the government's possession of the vessels, there is no longer any ground upon which a final injunction can be properly rested, even in a suit against a contractor with the government, where the dispute concerns such property as vessels of war. *If the United States has infringed, or shall hereafter infringe, the patents that we have been considering, the act of 1910, permits the plaintiffs to sue in the Court of Claims. Crozier v. Krupp, supra. And if the defendant shall undertake to infringe hereafter by making offending turbines for commercial use, relief can be obtained by another suit."*

It seems to be conclusive, therefore, that the Circuit Court of Appeals had not before it in the consideration and decision of the case the situation now presented, and that its order for an accounting should not be construed as intended to include an inquiry whether the turbine engines in torpedo boat destroyers made by the defendant under contracts with the Government entered into since June

25, 1910, infringed the plaintiff's patent (as would have been the inquiry but for the provisions of the Act of 1910), and, if found to be infringements, an inquiry and report regarding the defendant's profits. There was no decision by the Circuit Court of Appeals that the license acquired by the United States by right of eminent domain to use the invention of the plaintiffs' patent was not a license under the broad signification of the term "license to use," including the right to make and use, as was held by the Special Master in overruling the objection of the defendant to any inquiry into any transaction under contracts Nos. 47, 48, 49 and 50.

The Court will therefore follow the construction of the Act of 1910, adopted in *Marconi Wireless Telegraph Company of America v. Simon*, applying the doctrine of *Crozier v. Krupp* to a suit by a patentee against an independent contractor with the Government. It is therefore held that the defendant is not, as to the contracts entered into since June 25, 1910, an infringer, and is not liable to an accounting for anything done under those contracts, and that the Special Master was in error in overruling the motion of the defendant to exclude from its accounting the profits, if any, made by defendant for building turbine engines under contracts 47, 48, 49 and 50.

It is ordered that the action of the Special Master in overruling the defendant's objection be overruled, and that the defendant's objection be sustained, without prejudice, as noted in the memorandum opinion filed July 2, 1915.

Supreme Court of the United States

OCTOBER TERM 1918

No. 1

168

MARCONI WIRELESS TELEGRAPH COMPANY
OF AMERICA,

Petitioner,

vs.

EMIL J. SIMON,

Respondent.

PETITION FOR WRIT OF CERTIORARI
to the United States Circuit Court of Appeals for the Second
Circuit. Brief in Support thereof, and Notice of Motion.

JOHN W. GUNDEL,

Attorney and of Counsel
for Petitioner.

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Supreme Court of the United States.

MARCONI WIRELESS TELEGRAPH
COMPANY OF AMERICA,
Petitioner,

vs.

EMIL J. SIMON,
Respondent.

October Term,
1915.
No.

SIR :

Please take notice that on Monday, June 5th, 1916, at the opening of the Court on that day, or as soon thereafter as counsel can be heard, the petition for writ of certiorari hereto annexed will be submitted to the Supreme Court of the United States at the City of Washington, D. C., and the Petitioner will move the Court for the relief prayed for therein. In support of said petition a brief will also be presented to the Court. A copy of the petition and of the brief are herewith served upon you.

New York, May 17, 1916.

Respectfully,

JOHN W. GRIGGS,
Attorney and of Counsel for Petitioner,
Office and P. O. Address,
29 Pine Street,
New York.

To:

WALTER H. PUMPHREY,
Attorney for Respondent.
Office and P. O. Address,
61 Broadway,
New York.

~~By~~ Service of the foregoing notice and of the
copies referred to therein is hereby admitted this
16th day of May, 1916.

Walter H. Pumphrey
Attorney for the Respondent,
Emil J. Simon.

IN THE
SUPREME COURT OF THE UNITED
STATES,

October Term, 1915.

No.

MARCONI WIRELESS TELEGRAPH
COMPANY OF AMERICA,
Petitioner,

vs.

EMIL J. SIMON,
Respondent.

**Petition for writ of certiorari from the
Supreme Court of the United States
to the United States Circuit Court of
Appeals for the Second Circuit.**

*To the Honorable Chief Justice and Associate
Justices of the Supreme Court of the United
States:*

Your petitioner, Marconi Wireless Telegraph Company of America, respectfully represents as follows:

(1) That your petitioner, as plaintiff, heretofore brought suit in equity against one Emil J. Simon, as defendant, in the United States District Court for the Southern District of New York, alleging, among other matters, in its complaint, filed September 24, 1915, that the respondent had made and contracted to make and had

offered to sell, and was making, contracting to make and selling wireless telegraph apparatus in infringement and contributory infringement of United States patent No. 763,772, for improvements in wireless telegraph apparatus, owned by your petitioner, and praying for a preliminary, as well as a perpetual injunction restraining the respondent's infringement, and for an accounting of damages suffered by your petitioner and profits made by the respondent by reason of said infringement.

In support of a motion for preliminary injunction restraining such infringement, your petitioner filed affidavits showing that the respondent had made and offered to supply and had been awarded a contract to sell and supply to the Navy Department of the United States Government certain wireless telegraph apparatus adapted and intended when assembled to be an infringement of said patent.

(2) That thereafter the respondent appeared generally and filed an affidavit alleging that the Navy Department of the United States had theretofore advertised for bids for wireless telegraph apparatus; that the respondent, in order to secure a contract to supply the said apparatus, had made or caused to be made, and had exhibited a sample set of wireless apparatus to the Navy Department, and was thereafter awarded a contract by the said Department, and that, except for the apparatus so made to be supplied to the Navy Department he had not individually made, used or sold, wireless telegraph sets of any description, and the respondent moved the Court to dismiss your petitioner's bill of complaint, and also the motion for preliminary injunction, on the ground

that the court had no jurisdiction over the cause of action of the bill and defendant's business under his said contract with the United States.

(3) That thereafter said motions were argued in the said District Court before his Honor C. M. Hough, and on November 18, 1915, said Court filed its decision holding that by reason of the Act of Congress entitled "An Act to Provide Additional Protection for Owners of Patents of the United States and for Other Purposes," (approved June 25, 1910, 36 Stat. 851, C. 423) the United States has a license under your petitioner's patent, and that the respondent, Simon, an individual contractor, was not liable either to an injunction or to account for profits and damages by reason of making the said patented apparatus and supplying it to the said Navy Department. Your petitioner annexes hereto a copy of the said Act of Congress, marked "Exhibit A," also a copy of the said decision of the District Court, marked "Exhibit B."

(4) That in the record on which the said motions were heard, the following facts were either alleged by the petitioner and not denied by the respondent, or were explicitly admitted.

(a) The claims in issue of the patent in suit are valid.

(b) The Navy Department advertised for bids to supply it with wireless telegraph apparatus under specification known as schedule 8121, and which specification called for infringing apparatus.

(c) The apparatus called for by the specification of schedule 8121 was not designed, devised or invented by an officer or agent of the United States.

(d) The respondent in competition with petitioner's licensees under the patent in suit underbid said licensees, and offered to sell said infringing apparatus to the United States with the intention that it should be used by the United States in a wireless system, and was awarded a contract to sell and supply such apparatus to the United States.

(e) At the time the said Simon manufactured the infringing apparatus complained of and offered to sell the same to the United States, he had no order or contract to manufacture the same for or to sell the apparatus to the United States.

(f) The said Simon began the said infringement for his own individual profit, and his said infringing acts will cause irreparable loss, damage and injury to your petitioner.

(5) That thereafter, on the 24th day of November, 1915, the said District Court entered a final decree providing:

"That the defendant's motion to dismiss the bill of complaint herein and to dismiss the plaintiff's said motion for a preliminary injunction *for lack of jurisdiction* over defendant's infringing business under his contract with the Navy Department of the United States be and hereby is granted, and the bill of complaint be and hereby is dismissed with costs to be taxed." (Italics ours.)

(6) That thereafter your petitioner appealed from the said final decree to the United States Circuit Court of Appeals for the Second Circuit, and the appeal was argued before Judges Alfred C. Coxe, Henry G. Ward and Henry Wade Rogers, on the 7th and 8th days of February, 1916, and the 14th day of March, 1916, the said Court filed its decision affirming the decree of the District Court, said decision being rendered by a divided Court, his Honor Judge Henry G. Ward filing a dissenting opinion, holding that the decree of the said District Court should be reversed. A copy of the decision of the Circuit Court of Appeals is annexed hereto, marked "Exhibit C," also a copy of the dissenting opinion of Judge Ward, marked "Exhibit D."

(7) That therefore the only questions involved in this case are propositions of law substantially, as follows:

(a) Does the said Act of Congress of 1910, as construed by this Court in the case of *Krupp* vs. *Crozier*, 224 U. S., 290, confer on the United States Government a license under patents granted by the United States and admittedly valid, without the consent of the owner of the patent, including the right to license individual contractors to make and sell apparatus to the Government to such an extent as to deprive the District Courts of jurisdiction of suits brought against such contractors.

(b) Does the Act of 1910 confer a right and license on contractors engaged in supplying apparatus to the United States Government or its Departments to appropriate, without the pat-

entee's consent, any and all inventions protected by letters patent owned by others as may be necessary in carrying out their contracts, and make them immune not only to suits for injunctions, but also to suits seeking an account of profits which they make as makers and vendors of such patented apparatus, and an assessment of damages which the owner of the patent may sustain by reason of the infringement.

(c) Was it the purpose of the Act of 1910 to provide compensation for compulsory licenses in favor of the United States and contractors with it, under patents, the inventions of which the United States and such contractors may appropriate, and at the same time to provide that the United States may deny the title, validity or existence of the patent property appropriated by it, in a suit against it under the Act for compensation for such appropriation by it?

(d) Does the Act of 1910 take away from the owners of patents the right theretofore had to sue infringing contractors with or vendors to the United States Government and to obtain injunctions restraining such contractors and vendors from infringement, and to recover damages and profits from them.

(e) Is the Act of 1910 an enlarging and remedial statute giving to patentees a right to sue the United States in tort for infringement, or has it the effect of conferring a license on the United States and those selling apparatus to it?

(8) And your petitioner respectfully submits that the present case is one in which it is proper for this Court to issue a writ of certiorari for the following reasons, among others:

(A) Because grave public interests, the interest of *every* patentee, and the interests of jurisprudence require the decision of this Court upon the questions of law involved herein.

(B) Because the questions of law involved herein have not been passed upon by this Court.

(C) Because the Circuit Court of Appeals for the Second Circuit has given an interpretation to the decision of this Court in said case of *Krupp vs. Crozier* that was not intended by this Court, and which, if allowed to stand, will work great injustice not only to your petitioner, but to all patentees generally.

(D) Because the questions of law here involved are broad and of far reaching effect and are of great interest to all individuals, firms and corporations holding patents on any articles, commodities or methods which may be required by the Government or any of its departments and which they may from time to time purchase or contract to purchase from infringers.

(E) Because the decision of the Circuit Court of Appeals in the case at bar is in conflict with the decision of the Circuit Court of Appeals for the Third Circuit in *International Curtis Marine Co. v. Cramp*, 211 F. R., 124, and of the District Court for the Eastern District of Pennsylvania in *Firth v. Bethlehem Steel Co.*, 199 F. R., 353; 216 F. R., 756; reversed on other grounds, 224 F. R., 937.


(9) That a certified copy of the record herein is filed as a part of this application, together with

a brief in support thereof, by your petitioner's counsel.

Wherefore your petitioner prays that this Honorable Court will be pleased to grant a writ of certiorari in this case to the Circuit Court of Appeals for the Second Circuit to bring up this case to this Honorable Court to the end that the case may be reviewed and determined by this Honorable Court, and that your petitioner may have such other or further relief in the premises as may seem appropriate, and that the said decree of the Circuit Court of Appeals for the Second Circuit, and every part thereof, may be reversed by this Honorable Court.

And your petitioner will ever pray, etc.

MARCONI WIRELESS TELEGRAPH COMPANY OF AMERICA.

By  _____
Vice-President.

JOHN W. GRIGGS,
Solicitor and of Counsel for Petitioner.

Certificate.

I hereby certify that I am of counsel for the petitioner herein, Marconi Wireless Telegraph Company of America; that the allegations of fact contained in said petition are true, and that said petition is, in my opinion, well founded in law as well as in fact.

JOHN W. GRIGGS,
Of Counsel for Petitioner.

Exhibit A.

“An Act To provide additional protection for owners of patents of the United States, and for other purposes.” (Sec. 9465, Compiled Statutes. Act June 25, 1910, c. 423.)

Whenever an invention described in and covered by a patent of the United States shall hereafter be used by the United States without license of the owner thereof or lawful right to use the same, such owner may recover reasonable compensation for such use by suit in the Court of Claims: Provided, however, That said Court of Claims shall not entertain a suit or reward compensation under the provisions of this Act where the claim for compensation is based on the use by the United States of any article heretofore owned, leased, used by, or in the possession of the United States: Provided further, That in any such suit the United States may avail itself of any and all defenses, general or special, which might be pleaded by a defendant in an action for infringement, as set forth in Title Sixty of the Revised Statutes, or otherwise: And provided further, That the benefits of this Act shall not inure to any patentee, who, when he makes such claim is in the employment or service of the Government of the United States; or the assignee of any such patentee; nor shall this act apply to any device discovered or invented by such employee during the time of his employment or service (36 Stat., 851).

Exhibit B.DISTRICT COURT OF THE UNITED
STATES,

SOUTHERN DISTRICT OF NEW YORK.

MARCONI WIRELESS TELEGRAPH
COMPANY OF AMERICA*vs.*

EMIL J. SIMON.

MOTION BY PLAINTIFF FOR PRELIMINARY INJUNCTION
IN ACTION ON MARCONI PATENT 763,772.

Counter motion by defendant to dismiss the bill as well as to deny the injunction because—(a) defendant is a resident of the Eastern District of New York, and (b) whatever infringement or use of the patented device in suit he has committed or made, has been and will be by and through the construction of certain radio apparatus for the United States of America at the request of the Navy Department in accordance with plans and specifications laid down by that Department and embodied in a contract with said Department.

JOHN W. GRIGGS, Esq., and L. F. H.
BETTS, Esq., for Plaintiff;

WALTER H. PUMPHREY, Esq., for defendant,
and the Secretary of the Navy of
the United States.

HOUGH, D. J.

The appearance of counsel representing the

Navy Department is as *amicus*. The United States is not a party to this suit, but it is in my opinion competent for the Government, even in the most informal way, to intervene for the purpose of showing the interest of the public in what, upon its face, is an action between private parties.

The defendant's motion to dismiss the bill on the ground that he is sued in the wrong district must be denied if the record is to stop here.

So far as affidavit-making goes, I think it shown by a present fair preponderance of evidence that the defendant has in the past usually resided within the Southern District, has always maintained an office here, and had and owned the sample set of apparatus (which is the infringement) within the Southern District shortly before suit. Under accepted practice, the defendant can either appear, reserving his rights, and make the matter of residence an issue in the cause, or he may move for a reference *in limine*.

Owing quite probably to my own interest in the unusual matters argued at bar, the discussions of counsel have extended over a wider range than an examination of the record renders necessary.

If it be assumed that the action is well brought, that defendant is an infringer, and that his status as a contractor with the United States Government affords him no protection, statutory or otherwise, it does not necessarily follow that a preliminary injunction should issue.

An injunction, and especially one *pendente lite*, is always of grace and not of right. A complainant however meritorious, may be sent over to final hearing, and even left to his accounting rather than awarded a permanent injunction—for reasons which bear little if any relation to

the merits of the controversy as between parties plaintiff and defendant.

Such is the case here. The Navy Department has by contract employed Simon to construct radio-apparatus, without which certain vessels of war now approaching completion cannot go into commission. If Simon does not complete the articles for which he has contracted, injury to the Military arm of the Government will result. In the language of the Assistant Secretary of the Navy,

"interference by injunction * * * with the fulfilment by Simon * * * of his contract with this Department * * * would embarrass the Department * * * and be detrimental to the interests of the Naval service."

It is regrettable that this official opinion is contained in a letter to the Court, not made a part of the moving papers—though now added to them by me. But the method of which one is advised of matters affecting the public welfare, cannot prejudice the Commonwealth.

Therefore because upon the assumption that Simon is an infringer, the ordinary remedy against him would injure an arm of the Government of the greatest immediate importance, no injunction will issue in any way interfering with the contract now existing between Simon and the United States.

Without commenting further upon matters political rather than judicial,—the case is within the exception recognized by Clifford, *J.*, in *Brady vs. Atlantic Works*, Fed., Cas. 1794.

The motion to dismiss this bill upon the ground that Simon as a contractor with the government

for articles infringing a patent of the United States, is protected by the act "*To provide additional protection for owners of patents of the United States and for other purposes*," approved June 25, 1910, raises a question of grave importance to private parties.

In times of trouble, at periods when the arm of the Government is in need of strengthening;—the Executive may be left in the exercise of powers perhaps doubtful as matter of law, but temporarily necessary for national safety, by the refusal of drastic relief, and the remission of private litigants to slower processes of procuring pecuniary recompense.

Such procedure, however, is temporary, and contributes nothing to the settlement of questions likely to be vexed in times when the asserted rights of private parties receive their ordinary measure of prompt recognition.

In a suit on this patent before Veeder, *J.*, in the Eastern District of New York, this question was suggested, but not necessarily involved. It was therefore not passed upon (*Marconi Wireless Co. vs. Fritz Lowenstein*. Oct. 1, 1914).

Here the point cannot be evaded, because defendant has accepted all the statements contained in plaintiff's moving papers relating to the patent and its construction and the manufacture of Simon's apparatus; and upon these documents, all emanating from plaintiff, the motion to dismiss is made.

I think such a defence might have been set up by plea under the former practice, and may now be made by motion under Equity Rule 29.

The material facts which would formerly have been asserted by plea or proven by evidence un-

der the plea, are these: Plaintiff is the owner with good right to sue thereon, of a valid patent of the United States. Certain officers of the United States Navy drew plans and specifications for part of a radio apparatus which it was physically impossible to comply with except by infringing (outright or by contribution) the aforesaid patent of the plaintiff. Duly authorized governmental authority then invited bids upon said plans and specifications. All bidders, as well as the draughtsman of said plans and specifications, were well aware of the existence of plaintiff's patent, and there must be conclusively imputed to them an intention to infringe or (at least) to perform acts which would constitute infringement in a private person.

Several parties bid for the contract under the plans aforesaid, including two licensees of this plaintiff. Simon was not the lowest bidder, but he was, in the opinion of the Naval authorities, best bidder; in that the apparatus devised or "laid out" by him was in compactness, strength, adjustment and other purely mechanical attributes, the best device offered. For this reason Simon's bid was accepted. He made and submitted to the laboratory at the Brooklyn Navy Yard one specimen or model of his apparatus. The making thereof is the act of infringement alleged, and the fulfillment of his contract by multiplying similar apparatus up to the limit of the contract is what is sought to be prevented by preliminary and final injunction.

It thus appears that there is an element of personal skill and mechanical superiority involved in Simon's machinery. This explains the action

of the Naval authorities, but it does not as between private parties affect in any way the question of infringement.

Viewed without regard to the Act of 1910, certain officers of the Government deliberately committed the United States to an infringement of private rights, *i. e.* an appropriation of private property. Pursuant to this intent they invited private citizens to assist in this contemplated infringement, and Simon consented to aid by manufacturing a compact and well-arranged infringing article.

There is no proof (and in the nature of this motion there can be no final proof) that Simon is engaged in no other business than fulfilling this contract with the United States; but plaintiff has asserted in its own affidavits that he (Simon) has often so stated. It is equally true that there is no evidence or suggestion of any other infringement, present or contemplated, except that arising under the Government's contract aforesaid.

Under these facts the position is taken by defendant that he is an employe, agent or the like, of the United States. This cannot, I think, be sustained. He is an independent contractor, *i. e.* a person held at arm's length by the Department with which he has contracted; one who gives bond, not for his general good conduct, but for the fulfillment of his contract; who may bring an action in the Court of Claims for any balance that he considers to be unpaid thereunder; and who may be sued if he does not fulfil his obligation—not for malfeasance in office, but for breach of contract.

The questions, therefore, become the following:

(1) What is the legal position of the Sovereign in respect of patent rights granted by itself, under the Act of 1910.

(2) How does that Act or (more accurately) the legal position of the United States thereunder, affect or protect an independent contractor?

So far as the first query is concerned, it has been fully and finally answered by *Crozier vs. Krupp*, 224 U. S., at 305, which holds that having regard to

“the undoubted authority of the United States as to such subjects (as patents) to exercise the powers of eminent domain, the statute * * * provides for the *appropriation of a license to use the inventions*, the appropriation thus made being sanctioned by means of compensation for which the statute provides.”

It may in some sense be true, as is urged by the plaintiff, that the act is remedial, and does not disturb any of the rights of a patentee which existed before its passage. But it is also true that if the act creates a legal *status*, the relation of the holder of that status to the rest of the world is affected by the statute, whether such change or modification of relation be specifically mentioned or described in the Act or not.

The Supreme Court has defined the somewhat inartificial language of the statute. What the act contemplates being done by the United States is to *use* an invention “described in and covered by a patent.” This is held to be equivalent to the expropriation or appropriation of a “license to use the inventions.” This means a license in its widest sense, *i. e.* both to make and to use, and

possibly to sell; but certainly both to make and to use.*

In this instance the Navy through its officers has appropriated by right of eminent domain a license to make and use any and all articles covered by the patent in suit.

It could plainly make them in its own Yards or other work places, by its hired employees or permanent officers. It could take Simon into its employment at a stated stipend, and it could even make that stipend the exact amount of his estimated profit under the contract. If this had been done the plaintiff could certainly do nothing but institute an action in the Court of Claims. Simon would be as immune as an Admiral.

However repugnant to business and professional feeling this method of riding roughshod over the rights of a patentee may be, it is difficult for me to perceive that there is any substantial difference between what the Government admittedly might have done and what it has done in respect of this contract. Any distinction drawn between doing an infringing job by day's work and doing the same job by contract is without substance.

But it is said (and here hangs the plaintiff's whole case) that before the Act of 1910 the holder of a patent could sue a contractor with the Government for infringement as fully and freely as

* It is inconceivable that the Government could or would sell for gain patented articles which it had manufactured or caused to be manufactured. But can it be doubted that articles covered by a patent, used and then sold after condemnation by governmental authority would lawfully pass into the hands of the purchaser? In this sense at least the appropriated license is one to sell.

he could anyone else, provided always that he did not by injunction or otherwise interfere with governmental possession of anything (however obnoxious to the patentee's rights) actually in governmental use. *Brady vs. Atlantic Works, supra: International, &c., Co. vs. Cramp*, 211 Fed. Rep., 124, and cases therein cited. In my opinion this is true; but not so as to the corollary stated by plaintiff, viz: that since this right existed before the act of 1910 and is not explicitly taken away by that statute, it must still survive as fully as of old.

If the reason of the law fails, the law ought to fail with it; this maxim seems to me to apply very forcibly here. The reason for permitting actions for infringement by private parties against government contractors was that since infringement was a *tort* and the United States had never consented to be sued *in tort*, patentees were without remedy. Now they have such remedy under the statute; and cannot take what the statute gives (or imposes) and retain what they had before, if it interferes with governmental enjoyment of its license.

The United States has a license under this patent to make, use and perhaps to sell, to any extent deemed beneficial to the Commonwealth, and without any territorial or other limitation upon its right. A licensee to make and use is not (in the absence of specific language in his license) limited to making with his own hands, in his own shop, or by his own employees. He may employ, procure or contract with as many persons as he chooses to supply him with that which he may lawfully use, provided such conduct does not change his relation to the licensor. In my opinion

this is exactly what the Government has done here, and Simon is not an infringer because he is supplying lawful goods to a lawful licensee. (*Foster Hose Supporter Co. v. Taylor Co.*, 191 Fed. Rep., 1003).

There is another and more technical view of the facts, viz: what Simon contracted to furnish to the Navy Department is not a complete wireless apparatus, nor even a complete transmitting device, but only certain transmitter parts.

These parts (to Simon's knowledge) could never be used without uniting them with other devices not made or furnished by Simon, but well known in the art; and the whole apparatus when assembled as intended by the Navy (to defendant's knowledge) would constitute a Marconi system. Therefore Simon should be regarded (if the matter were one in which the Government had no interest) as a *contributory* infringer.

"The essence of contributory infringement lies in concerting or plotting with others in an *unlawful* invasion of the patentee's rights." *Goodyear, etc., Co. vs. Jackson*, 112 Fed. Rep., at 148. Simon did agree with the Naval authorities to contribute toward what would ordinarily be an infringement, but the United States could not infringe by using what Simon made because it was a licensee. Therefore Simon could not be a contributory infringer by assisting in doing a lawful thing. (*Bullock vs. Westinghouse Co.*, 129 Fed. Rep., 105). On this view of the facts, the conclusion urged by defendant is logical.

No injunction will issue. The motion to dismiss is granted, unless plaintiff elects in twenty days to plead over, and allege infringements not aris-

ing from governmental contracts. If such election is made, defendant to answer in twenty days after amended bill filed.

Nov. 18, 1915.

C. M. HOUGH,
U. S. D. J.

(Endorsed) U. S. District Court, S. D. of N. Y.,
Filed Nov. 18, 1915.

Exhibit C.

UNITED STATES CIRCUIT COURT OF
APPEALS,

FOR THE SECOND CIRCUIT.

MARCONI WIRELESS TELEGRAPH COMPANY OF AMERICA, <i>Plaintiff-Appellant,</i>	}
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against

EMIL J. SIMON, <i>Defendant-Appellee.</i>	}
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Before:

COXE, WARD and ROGERS, *Circuit Judges.*

Per Curiam:

The decree of the District Court is affirmed on the opinion of Judge Hough.

Exhibit D.UNITED STATES CIRCUIT COURT OF
APPEALS,

FOR THE SECOND CIRCUIT.

MARCONI WIRELESS TELEGRAPH
COMPANY OF AMERICA,
Complainant-Appellant,

against

EMIL J. SIMON,
Defendant-Appellee.

Before:

COXE, WARD and ROGERS, *Circuit Judges.*

WARD, *Circuit Judge* (dissenting):

The Navy Department contracted with one Simon to construct radio apparatus for certain vessels of war. Thereupon the Marconi Company filed a bill against Simon alleging that in so doing he was infringing its patent and praying for an injunction and accounting.

The complainant moved for a preliminary injunction and the defendant moved that the bill be dismissed.

The District Judge denied the motion for a preliminary injunction and granted the motion to dismiss on the ground that the Act of June 25, 1910, made the Government a licensee of the complainant patentee and that the defendant Simon in making the patented apparatus for a licensee

was not an infringer. For the purposes of this appeal Simon's apparatus, unless constructed under a license from the complainant, must be considered an infringement.

A taking of property by eminent domain is an admission that the Government is not the owner of the property taken and a promise to pay the owner is therefore implied. For such a taking by the Government a patentee had previous to 1910 a right to recover in the Court of Claims, U. S. Rev. Stat., Sec. 1059, and by the Tucker Act in the Circuit Court of the United States, Chap. 359, L. 1887.

But the Act of June 25, 1910, provided for an entirely different situation, viz., the Government's asserting its right to use the thing or process patented without the consent of the patentee. For this situation there had been no remedy for the patentee against the Government.

I think Congress did not intend to create the relation of licensor and licensee between the Government and the patentee when the Government claimed to be acting within its rights, but merely to give the patentee what the title of the act correctly describes as additional protection, viz., a remedy in case of a tortious taking under a claim of right. That is the present case.

Nor do I think that Congress intended to take away from patentees the right of suing independent contractors with the Government. The case of officers of the Government stands on a different ground because suing them is tantamount to suing the sovereign. Courts out of regard for public policy will no doubt refuse to interfere in proper cases with Government activities by en-

joining independent contractors as a matter of discretion, just as the District Judge has done, but the bill should not be dismissed even if the injunction be denied. For these reasons I think that the decree, so far as it dismisses the bill, should be reversed.

IN THE
SUPREME COURT OF THE UNITED
STATES.

OCTOBER TERM 1915. No.

MARCONI WIRELESS TELEGRAPH
COMPANY OF AMERICA,
Petitioner,

against

EMIL J. SIMON,
Respondent.

**BRIEF IN SUPPORT OF PETITION
FOR WRIT OF CERTIORARI.**

General Statement.

The facts and proceedings on which the Court is asked to review, by writ of certiorari, the decision of the Circuit Court of Appeals for the Second Circuit, are set forth in the petition for such writ.

The case at bar is of general interest in that it involves the interpretation of a Federal Statute entitled "An Act to Provide Additional Protection for Owners of Patents of the United States, and for other Purposes" (approved June 25, 1910; 36 Stats. 851; C. 423).

This Act is important in its effect (a) upon the rights of patentees as against private individuals engaged in manufacturing and supplying to the United States Government or its Departments, under contract or otherwise, articles em-

bodying the inventions of the patentees, but who hold no licenses from the patentees; (b) upon the rights and liabilities of such manufacturers, dealers or contractors; (c) upon the rights of the patentees as against the United States Government itself in such a case; (d) upon the rights of the United States Government under letters patent issued to patentees. The case also involves the question of the jurisdiction of the District Courts in suits against contractors with or vendors of infringements to the United States for infringement of patents, and a conflict of decisions of the lower courts on that question, or the right to maintain an infringement suit in the District Courts against such contractors or vendors.

The validity of the patent here in suit has been sustained after a trial on the merits and on motion for injunctions.

Marconi vs. National, 213 F. R., 815;

Marconi vs. Standard Oil, 225 F. R., 65, 373.

The Patentee's Rights and Remedies Prior to the Act of 1910.

In pursuance of a constitutional provision (Art. 1, Sec. 8) Congress has passed laws resulting in a patent contract by which, in consideration of the full and proper disclosure by an inventor of his invention, there is *secured* to him as directed by the Constitution *nothing less* than *exclusive* private property *rights*, viz., the exclusive right to make, use and sell the invention for a limited term, and by which the inventor is *guaranteed* that he will not be deprived, *without his consent*, of any part of such rights, but will be protected

absolutely, by *all* the due processes of the courts, against any invasion of the right, to *exclude everyone including the United States and its officers* from making, selling or using the invention.

Grant v. Raymond, 6 Peters, 218, 243;
U. S. v. Burns, 12 Wall., 246;
Bloomer v. McQuewan, 14 How., 539;
Cammeyer v. Newton, 94 U. S., 226;
Patterson v. Kentucky, 97 U. S., 501;
James v. Campbell, 104 U. S., 352;
U. S. v. Palmer, 128 U. S., 262, 269;
Solomons v. U. S., 137 U. S., 342;
U. S. v. Bell Tel. Co., 167 U. S., 224, 249,
 250;
Bement v. National Harrow, 186 U. S.,
 70, 88-92;
Continental Paper Bag Co. v. Eastern,
 210 U. S., 405; 423-425, 426; 430;
Good v. Daland, 121 N. Y., 1, 8.

Against the private infringer the patentee always has had a remedy by an action at law for damages, or a suit in equity to recover the infringer's profits, as well as the patentee's damages, and to obtain an injunction restraining the infringement. It has been declared and re-declared, in the cases cited above, that the patentee's *only effective remedy* is an injunction, and that anything less than that deprives him of the exclusive rights provided for by the Constitution.

Court of Claims Had Jurisdiction of Suits Against United States for Its Lawful Use or Appropriation.

The United States as the Sovereign can not be sued without its consent. However, by various

Acts of Congress, it has consented to be sued in the District Courts and in the Court of Claims for damages for breach of an express *contract*, or upon an implied promise, and for claims "not sounding in tort" (24 Stat., Sec. 359, Act of March 3, 1887).

Therefore, where the Government had entered into an express *contract* for the use of an invention, and by which the exclusive rights of the patentee were acknowledged, or where the use, the acknowledgment of the exclusive rights, the consent of the patentee, and a promise to pay might be implied from the facts and circumstances, an action lay against the Government in the Court of Claims for royalty, or for reasonable compensation for such *lawful taking*.

United States v. Burns, supra;

United States v. Palmer, supra;

Hollister v. Benedict, 113 U. S., 59, 67;

Schillinger v. United States, 155 U. S., 163, 167-170;

United States v. Berdan, 156 U. S., 552, 567-570;

United States v. Schild, 161 U. S., 10, 15-18;

Russell v. United States, 182 U. S., 516, 530, 531, 539;

Brooks v. U. S., 39 C. Cls., 494;

Farnham v. U. S., 49 C. Cls., 19, 39.

No Remedy Against the United States for Infringement, Prior to the Act of 1910.

But the Government had not consented to be sued for its *torts* committed by it through the action of its officers in an official capacity. The

patentee therefor, was without any *remedy* by an infringement suit against the United States to redress the wrong done him by its invasion and impairment of the exclusive rights of his patent. This was simply due to the doctrine that the Sovereign could not be sued in *tort* for its infringement, or to recover damages for the consequential injury caused thereby, or be enjoined, without its consent.

United States v. Burns, supra;
United States v. Palmer, supra;
Schillinger v. United States, supra;
United States v. Berdan, supra;
Belknap v. Schild, supra;
Russell v. United States, supra.

**The District Courts Had No Jurisdiction of Suits
 Against Officers of the United States for In-
 junctions, But Had Jurisdiction to Compel
 Them to Account for Their Personal Profits
 and Damages Caused by Infringements Even
 When Acting Officially.**

Theoretically the immunity of the United States from an action for infringement did not apply to the officers of the United States in times of *peace*. Although it was held that such officers could not be *enjoined* from the infringement of a patent, as such injunction would in effect *enjoin the United States*, yet officers of the Government were liable for infringement and to account for such profits as they personally made therefrom, and to pay such damages as they personally caused.

Belknap v. Schild, 161 U. S., 10;
Dashiell v. Grosvenor, 162 U. S., 425;
International Postal Supply Co. v. Bruce,
 194 U. S., 601.

All of the above cases were brought directly against *officers* of the United States who committed the infringement in their *official* capacity and derived no personal profit from it. The United States was an indispensable party to the suits against its officers, and as it could not be made a party to the suits, the officers could not be enjoined and the suits therefore failed.

But this Court did not dismiss the suits *for lack of jurisdiction*, but *assumed jurisdiction and decided each case on its merits*, holding that the officers were liable for the profits they *personally made* and the damages the patentee had sustained by reason of the infringement.

The District Courts Also Had Jurisdiction of Actions for Injunctions and Accountings for Infringement Against Vendors to or Contractors With the United States.

This point is conceded by the District Court (R., pp. 104, 105). Since the officers and agents of the United States were personally liable in times of peace, to suits for profits they personally made from their infringement of a patent while acting under orders of the United States, and damages they personally caused, *a fortiori* a private party who primarily manufactured an infringing device for his own personal benefit and profit, with or without an order from the Government, and subsequently sold it or contracted to sell it to the Government or used it in his work under the contract, would also be subject to such liability. Governmental immunity did not extend to such a private trespasser for the wrong committed by him, in such making, using or selling of

the infringing apparatus. Furthermore any trespass by the United States or its officers, as manufacturers or users of an infringing device, is independent of the trespass of a private party such as that of its vendor or contractor.

Brady v. Atlantic, 4 Cliff., 108; Fed. Cases 1,794, 1,795, was a suit in equity against a contractor for infringing a patent for improvements in dredging-boats. The infringing vessel was designed by United States Army engineers acting under orders from the War Department. The defendant contracted to build the vessel for the United States according to the designs, plans and specifications of the War Department, and the boat was built under the immediate supervision of officers of the United States, and the orders of the War Department.

Yet in holding the contractor liable Mr. Justice Clifford said (p. 1194):

“Contractors of the government derive no power in a case like the present, by virtue of their contract, *to take the property of private individuals without their consent, and to use and apply the same in fulfilling their contract obligations.* Such a contractor * * * is not the agent of the government to seize and appropriate whatever materials he may select to fulfil his obligations.” (Italics ours.)

An accounting was granted, but the question of an injunction was left undecided, while the case was taken to this Court (107 U. S. 192), which without reviewing the question of liability, held jurisdiction and reversed the decree of the Court below on the ground that the plaintiff's patent was void.

In *Beach v. United States*, 41 Court of Claims, 110, the plaintiff was an inventor of certain improvements in pneumatic transportation of mail. Apparatus embodying his invention was offered by him to the United States, but his bid was not accepted. Subsequently the United States installed and used infringing apparatus under contract with a private party. The patentee brought a suit in the Court of Claims against the Government on an implied promise of the United States. The Court of Claims held that there was no such promise and therefore that it had no jurisdiction, but that Beach could seek relief *against the contractor* who made and sold the infringing apparatus to the United States. The Court said (p. 149):

“If the *contracting company* took Beach’s inventions and applied his ideas to practical use in the post offices of the cities of the country under its contracts with the Government, then the company has infringed upon the plaintiff’s right as inventor. It is, in this event, liable for the infringement at the suit of the inventor, but not in this court.” (Italics ours.)

Schillinger v. United States, *supra*, arose in the Court of Claims and was based on an implied promise for compensation for the use of a patent for a method of laying a pavement. Cook, the contractor, laid the pavement for the United States by a method alleged to infringe the plaintiff’s patent. The Court of Claims held that no express or implied contract had been established. This Court sustained the Court of Claims and held

that because the action sounded *in tort* for infringement the Court of Claims had no jurisdiction. But this Court in the course of its opinion pointed out that the contractor was liable, stating (p. 171):

“It may be that the process or mode by which Cook, the contractor, constructed the pavement in the Capitol grounds was that described in and covered by the Schillinger patent. He may, therefore, have been an infringer by using that process or mode in the construction of the pavement, *and liable to the claimants for the damages they have sustained in consequence thereof.*” (Italics ours.)

It thus appears that prior to the Act of 1910, the District Courts had jurisdiction of a suit for an injunction and accounting against a vendor to the United States or a contractor with it who, even when acting under orders of the United States or, in the performance of his contract with the United States, infringed a patent by the use even of devices designed or planned by officers of the United States.

The Act of 1910 Is An Enlarging and Remedial Statute by Which the United States Simply Consents to Be Sued in Tort for Infringement.

The statute itself indicates this. It is entitled:

“An Act to Provide *additional protection* for owners of patents of the United States, and for other purposes.”

The text of the act, so far as material here, is as follows:

"Be it enacted, etc., That whenever an invention described in and covered by a patent of the United States shall hereafter be used by the United States without license of the owner thereof or lawful right to use the same, such owner may recover reasonable compensation for such use by suit in the Court of Claims:

* * * * *

"Provided further, That in any such suit the United States may avail itself of any and all defenses, general or special, which might be pleaded by a defendant in an action for infringement, as set forth in Title Sixty of the Revised Statutes, or otherwise: (Italics Ours.)

* * * * *

This purpose of the act is declared in the report of the Committee on Patents of the House, in presenting the bill, said (Report No. 1288; 61st Congress, 3rd Session):

"The purpose of this bill is to enlarge the jurisdiction of the Court of Claims so that said Court may entertain suits against the United States for the infringement or unauthorized use of a patented invention.

* * * * *

"Our only purpose is to extend the jurisdiction of that court so that it may entertain suits and award compensation to the owners of patents in cases where the use of the invention by the United States is unauthorized and unlawful; in short, to give the court in patent cases, in addition to the jurisdiction it now has in matters of contract, jurisdiction in cases of tort." (Italics ours.)

It is therefore manifest that the *only* purpose of the act was to provide an *additional remedy*, i. e., a suit in the Court of Claims directly against the United States for reasonable compensation or damages *for its infringement or tortious and unlawful use* of a patented invention. Nothing in the act or its history can be construed into the granting of a *right or privilege* to the United States, or contractors with or vendors to it, under a patent.

The purpose of the act was not to confer upon private parties *a license to manufacture any patented article*, which the Government may use, *and then sell the article or contract to sell it to the Government*, without the infringing manufacturer being liable to an injunction and profits and damages. That, however, is the direct result of the ruling of the lower courts in the case at bar. It is manifestly unjust, and it will also give rise to many evils. It will encourage manufacturers to begin the infringing manufacture *of all kinds of patented articles*, which may be used by the Government, for the alleged subsequent sale to and use by it under contract or otherwise; it will multiply the number of infringers and thus deprive patentees of many of the attributes of the exclusive rights granted by patents, and which rights have been guaranteed by the Constitution and patent laws as an inducement to the disclosure of inventions. Private manufacturers will not hesitate to enter the infringing field, if their infringing manufacture and subsequent sale to the United States is not liable to be enjoined, and they cannot be held individually liable for the personal profits they make or damages they personally cause. It is this very idea which induced the respondent to begin the infringement complained of (R., p. 81).

The Decisions Below Are in Conflict With *Firth vs. Bethlehem Steel Co.*

The case of *Firth v. Bethlehem Steel Co.* (199 F. R., 353; 216 F. R., 756; 224 F. R., 937) was brought for an injunction and an accounting to restrain the defendant from manufacturing and selling *projectiles* which were patented January 4, 1910. The defendant was manufacturing the projectiles under a contract with the United States and from its designs. The manufacture evidently took place after the Act of 1910 and was the only use of the invention by the defendant. In fact, the United States was the principal if not the sole user of the projectiles (199 F. R., 353; 224 F. R., 937).

The Government, though not a party, appeared by its attorney in the case on the ground that it was interested in the fulfillment of the specific contract under which the vessel was being constructed. Judge Dickinson held that that was its only concern in the suit.

In considering the question of governmental use in view of the Act of 1910, and the decision in *Krupp v. Crozier*, Judge Dickinson said (p. 762):

“Whether governmental use should be excepted from the exclusive proprietary rights given to the patentees is a policy for the consideration of Congress, not of the courts. The argument based upon the ruling in *Crozier v. Krupp*, 224 U. S., 290; 32 Sup. Ct., 488; 56 L. Ed., 771, ignores the distinction that the right of action given by the act of 1910 against the government *does not grant immunity to any private trespasser upon the rights of patentees*. The Bethlehem Steel Company, and not the United States, is the defendant here,

and to say that, *because of the government use of these projectiles, the plaintiff is deprived of a remedy for wrongs done it is to confuse the power to issue writs of injunction with the exercise of the discretion of the courts in their issue.*" (Italics ours.)

The decision of the courts below in the case at bar is directly contrary to that of Judge Dickinson. The Firth case takes the correct view. That notwithstanding the fact that the contractors were actually engaged in manufacturing such articles of war as projectiles, under a contract with the United States and from its designs, which manufacture was being supervised and directed by officers of the United States, the court *retained equitable jurisdiction* and granted a decree against the contractor, sustaining the patent, holding that it had been infringed, *ordering an accounting of damages and profits, and directing an injunction against the contractor.* But the Court modified or, excepted from the operation of, the injunction such transactions with the United States as the manufacture of projectiles under a specific contract with the United States on the ground that it would be *against public policy* to interfere with such manufacture (p. 766). On appeal (224 Fed., 937) Judge Dickinson's decree was reversed upon the ground that the patent was void for anticipation.

See also:

International Curtis Marine Turbine Co.
v. *Cramp & Sons*, 211 F. R., pp. 124,
152, 153.

Krupp v. Crozier Simply Decided That the Act of 1910 Provided a Remedy Against the United States in Tort for Infringement, But That Its Officers Could Not Be Enjoined for Such Infringement.

That the act was intended solely as an *additional* remedy and protection to patentees whose patented rights had been invaded by officers of the United States acting under its authority, by consenting to be sued for such torts is clearly *decided* by this Court in *Krupp v. Crozier*, 224 U. S., 290.

Krupp brought a suit in equity in the Supreme Court for the District of Columbia for an injunction restraining William Crozier, Chief of Ordnance of the United States Army, from infringing two patents relating to improvements in guns, and for an accounting of profits and damages. The infringing guns were being manufactured by the Government at its arsenals. It was stipulated that the Government had manufactured the infringing guns and intended to continue their manufacture, that no pecuniary benefit accrued to Crozier personally and all claims were waived by the plaintiff for profits and damages, so that the only relief sought *was a permanent injunction against the defendant, an officer of the United States Army, restraining him from making the infringing guns at the Government's arsenal.*

A demurrer to the amended bill was sustained by the Supreme Court of the District of Columbia on the ground of lack of jurisdiction, and such bill was dismissed. The Court of Appeals of the District of Columbia reversed and remanded the case for further proceedings. A writ of certiorari was

granted by this Court. The Court reversed the Court of Appeals, stating (p. 302) that it was not called upon to pass upon the correctness of the theory on which the decision of the Court of Appeals rested, or the soundness of the contentions of the parties, because subsequent to the filing of the bill and the decision of the Court of Appeals, the subject of the controversy, *the continued making of the infringing guns by officers of the United States at its arsenals*, had been dealt with by Congress by the Act of 1910.

After quoting the Act the Court points out that it was intended for the protection and relief of a patentee whose patent had been infringed by officers of the United States, while in the performance of their official and public duties, and from which infringement they received no pecuniary benefit. Mr. Chief Justice White says (p. 303):

“The text of this statute leaves no room to doubt that it was adopted in contemplation of the contingency of the *assertion* by a patentee that rights secured to him by a patent had been invaded for the benefit of the United States *by one of its officers*, that is, that such officer *under the conditions stated had infringed a patent*.

“The enactment of the statute, we think, grew out of the operation of the prior statute law concerning the right to *sue the United States for the act of an officer in infringing a patent as interpreted by repeated decisions of this court*.” (Italics Ours.)

After referring to the rule that the United States or its officers could not be restrained for its unlawful use of an invention, where the in-

junction would interfere with the United States, the Chief Justice continued (pp. 304-5):

“Evidently inspired *by the injustice of this rule* as applied to rights of the character of those embraced by patents, because of the frequent possibility of their *infringement by the acts of officers* under circumstances which would not justify the implication of a contract, the intention of the statute *to create a remedy* for this condition is illustrated by the declaration in the title that the statute was enacted ‘to provide additional protection for owners of patents.’ ”

And again that Court said (p. 304):

“That is to say, it *adds* to the right to sue the United States in the Court of Claims already conferred when contract relations exist the right to sue *even although no element of contract is present*. * * * These results of the statute are the obvious consequences of the power which it confers upon the patentee to seek redress in the Court of Claims for any *injury* which he asserts may have been inflicted upon him by the *unwarranted use of his patented invention and the nature and character of the defences which the statute prescribes may be made by the United States* to such an action when brought. * * *

“This being the substantial result of the statute, it remains only to determine whether its provisions are adequate to sustain and justify giving effect to *its plain and beneficent purpose to furnish additional protection to owners of patents when their rights are infringed by the officers of the Government in the discharge of their public duties*.” (Italics ours.)

The Court finally *decided* that as the Act of 1910 provided for the recovery of compensation from the United States by a suit in the Court of Claims against the United States for the *unwarranted use* of the invention of the patent, it was a remedial and protective and enlarging statute, and that the Supreme Court of the District of Columbia had no jurisdiction to grant a permanent injunction restraining an officer of the United States from the continued manufacture of the infringing guns at the arsenals of the United States, *to which point the issue in the case was confined*. In any event the facts and circumstances in the case at bar and theory under which the petitioner's bill was dismissed are entirely different than was presented in the *Krupp* case.

The District Court's Construction of the Act of 1910 in the Case at Bar Extends the Statute Beyond the Interpretation Given It by the Decision in *Krupp v. Crozier*.

The District Court in the case at bar found that, without regard to the Act of 1910, certain officers of the Government committed the Government to the infringement of the patent in suit, and by the Navy specifications invited private parties to assist in such infringement, and that the respondent accepted the invitation as an independent contractor. But the court also decided that by virtue of the Act of 1910, and this invitation to private citizens to infringe, the officers of the Government had appropriated, by right of eminent domain, a license to make, use and sell any and all of the inventions covered by the patent in suit for which the Act provided compensa-

tion (R., pp. 102-103) and consequently the respondent also had in effect a license to make and use the invention for Governmental purposes.

The District Court based its theory of the appropriation of a license by the right of eminent domain upon certain expressions in the opinion of this Court in *Krupp v. Crozier*. The Court in that case in substance observed that the United States had authority to exercise the right of eminent domain over patents, and that the Act of 1910 was equivalent to the appropriation of a license by the exercise of such right, for which license it provided compensation.

But it is submitted that the Court could have decided *Krupp v. Crozier* by dismissing the bill on the prior decisions that under the facts presented the injunction against the officer would be a restraint upon the United States. Its suggestion of the appropriation by the right of eminent domain seems to be based upon the fear of the

“grave detriment to very existence of the Government which might result from interfering with the Government’s right to make and use *instrumentalities* of the character”

of the *guns* which were the subject of the patents there in suit. The fear is unfounded. The Government has not consented to be enjoined for infringement, and under the decisions its officers acting in an official capacity cannot be enjoined. Besides the courts have full power to regulate their decrees for injunction so that Government work, under contract or otherwise, and demanded by public necessity, will not be interfered with. Therefore neither the Government, nor those acting with it in carrying out Governmental work can

or will be harassed. Its interests are fully guarded.

The Court's decree granting the injunction will necessarily take care of the vital interest of the public and the Government, and provide that it may make and use and secure assistance in making and using what is demanded by public needs. Therefore, there is no necessity for holding, in order that there shall be no interference in Governmental work that an act or a contemplated act of infringement by the United States is an appropriation of the license under the patentee's exclusive rights by the power of eminent domain, and that consequently private parties who assist in such infringement are licensed under the patent and immune from suit, in view of the Act of 1910.

In the case at bar there was no attempt to prevent the Government from acquiring efficient and suitable wireless telegraph apparatus for the needs of the Navy Department as plaintiffs' lawful licensees offered to supply the apparatus at reasonable prices (R., pp. 23, 86, 88, 91).

The License Theory of the Act Is Inconsistent With Its Express Language.

However, we submit that the observations in the opinion in *Krupp v. Crozier* and by the lower court with reference to the appropriation of a license do not agree with this Court's finding that the purpose of the Act of 1910 was to confer upon the patentee the right to seek redress for *an injury* inflicted by the *unwarranted use and infringement* of the patented invention by the officers of the Government in the performance of public duties.

In fact the District Court in the case at bar holds that the Act of 1910 creates a remedy for a tort, for it says (R., p. 105):

“The reason for permitting actions (prior to the act) for infringement by private parties against Government contractors was that since infringement was a tort and the United States had never consented to be sued *in tort*, patentees were without a remedy. Now they have such a remedy under the statute, and cannot take what the statute gives (or imposes) and retain what they had before, if it interferes with Governmental enjoyment of its license.”

If, as we contend, the District Court holds in this statement that the remedy under the act is to recover compensation or damages by an action *in tort*, viz., infringement by the United States, then the result of the act is not the taking or imposing of a license upon the patent, and an action under the act is not an action to recover compensation for a licensed or lawful use. The Government could not be sued for a tortious infringement if it had acquired a license under the Act of 1910. It is submitted that the act was never intended to result in conferring a license privilege upon the United States and contractors with and vendors to it without the consent of the owner of a patent under any theory; but simply to provide that the United States may be sued in tort for its infringement, and that compensation may be recovered from it for consequential injury done the patentee. Neither a tort nor a consequential injury is involved in taking under the right of eminent domain.

The act itself states that the use is

“without license of the owner thereof or lawful right to use the same.”

And the fact that the act was designed solely to deal with cases where the Government had not acknowledged the existence of any exclusive patented rights, and had not conceded any use thereof, and had acquired no license or lawful right to use the invention, as contrasted with the other class of cases where the United States had made such acknowledgments and acquired a license by contract or had taken a lawful right to use, is shown by the provision of the act that

“The United States may avail itself of any and *all defenses, general or special, which might be pleaded by a defendant in an action for infringement* as set forth in title 60 of the Revised Statutes or otherwise.”

It is well known and settled that a licensee, while enjoying a license, or right to use an invention, express or implied, even if it is the United States, cannot attack the licensor's title or the *validity* of the licensor's patent, in a suit for compensation or royalties for the use of the invention under the right or license.

Kinsman v. Parkhurst, 18 How., 289;
Harvey Steel Company v. United States,
 38 Ct. Cl., 662; 196 U. S., 310, 315;
Platt v. Fire Extinguisher, 59 F. R., 897,
 901;
Moore v. Boiler Co., 84 F. R., 346, 347;
Holmes v. McGill, 108 F. R., 238, 244.

The act of 1910, neither expressly or impliedly indicates any intention to change this well estab-

lished and fundamental rule. But under the last quoted provision of the Act, the Government, *not* being a licensee nor having any right under the patent, but being an infringer, may *deny title in the patentee and set up the invalidity of the patent and the non-use of the invention thereof as defences* to the patentee's claim for compensation for infringement.

Prior to the Act of 1910 the Court of Claims, in an action to recover compensation on an express or implied contract for a use of a patented invention by the United States, had no jurisdiction to hold the patent invalid and its "judgments do not assume to do so." *Farnham v. U. S., supra*. But as an action under the Act of 1910 is an infringement suit, and as the Government may avail itself of the defense of invalidity and all the defenses of an infringer, the Court may now give judgment of invalidity, which could not be done in a suit for compensation under a license.

The facts in the case at bar are in conflict with the taking by the Government of any license by the right of eminent domain. The history of the act, the express language used therein, the character of the defenses available to the United States in an action against it under the Act of 1910, the prior acts of Congress by which the Government consented to be sued for its lawful taking or licensed use of an invention, the fact that neither the Government nor its officers can be enjoined, and the existing power of the courts to prevent an interference with Governmental work, all indicate that it was not the intention of Congress in passing the Act of 1910, to provide for the appropriation of a license under the patent in suit by the power of eminent domain.

The Theory That An Unauthorized Governmental Use Results in the Appropriation of a License by Right of Eminent Domain, Because the Act of 1910 Provides for Compensation, Is Contrary to the Policy of the Constitution and Patent Statutes and Has No Warrant Under the Doctrine of Eminent Domain.

The power given to Congress by the Constitution (Art. 1, Sec. 8) is to *secure* to inventors, for a limited period, the *exclusive* rights to their discoveries. This constitutional authority to Congress, if exercised, must be a *guarantee of exclusive rights*, and Congress, when acting under such authority, has never granted less to citizens. The inventor cannot be compelled to permit *anyone* to use his patented invention on any terms, or even made to use it himself.

In *Bement v. National Harrow Co.*, 186 U. S., *supra*, the Court, adopting the language of the lower court in *Heaton v. Eureka*, said (p. 90) if the patentee

"sees fit, he may reserve to himself the exclusive use of his invention or discovery. If he will neither use his device nor permit others to use it he has but suppressed his own. * * * His title is exclusive, and so clearly within the constitutional provisions in respect to private property that he is neither bound to use his discovery himself nor permit others to use it."

See also:

United States v. Bell Telephone Co.,
supra;
The Paper Bag Case, *supra*.

The reading into the Act of 1910 of a compulsory license to the Government and contractors with and vendors to it, to make, use or sell the invention of a sustained and valid patent, even on the most favorable terms, deprives the patentee, without his consent, of the exclusive rights and privileges imperatively provided for by the Constitution when Congress, acting thereunder, passed the patent statutes. Congress has no Constitutional power to grant patented rights which exclude all others than the Government; nor may Congress indirectly accomplish the same purpose by first enacting the patent statute now in force, and which excludes the United States, and then after securing a disclosure of an invention on the faith of the Constitutional provision and the present patent act, turn about and pass a retrospective act which results in imposing upon the patent a compulsory license not only in favor of the Government, but of vendors to it, under contract or otherwise, to make, use or sell the invention of the patent.

It is no answer to this contention to say that the imposition of a compulsory license by the Act of 1910 is the exercise of the Sovereign power to take patent property, by the right of eminent domain, upon the payment of reasonable compensation; for the necessary conditions precedent to the exercise of such right do not exist and were not shown to exist in the case at bar.

In taking real or personal property by the right of eminent domain the Government necessarily *admits* the existence of the property, and the taking. It admits, or at least does not deny, the owner's title, *nor does it assert as much right*

thereto, as the party who claims title to the property. The exercise of that power by the Government necessarily means that there has been, or will be, an actual taking or appropriation by it of existing private property or rights, in which it asserts, and has no right, title or interest, and for which it will provide compensation.

No different rule prior to the Act of 1910 did apply where it was suggested that the Government might exercise the right of eminent domain to take or had appropriated patented property. In fact, the law was that if such a right was exercised by the Government *there must be an acknowledgment by the Government of the exclusive rights of the patentee.* It did not take and at the same time repudiate the *existence* of the exclusive patented rights, or the taking. (*Hollister v. Benedict, supra*; *U. S. v. Berdan*, 156 U. S., 552, 567; *Brooks v. U. S., supra*; *Farnham v. U. S., supra*.)

The Government, in the case at bar, has not acknowledged that Marconi is entitled to the exclusive right to the invention of the patent in suit (although the courts have so held), or even the existence of such rights. If it takes any position here *it is antagonistic to any such claims by the petitioner.* And, as we have seen, in any suit by the petitioner in the Court of Claims under the Act of 1910 to recover compensation for the Government's use of the patent in suit, it may and undoubtedly will deny the existence or validity of such exclusive rights, and any claim that it has used or is using any part thereof and assert that in any event the invention is common property. In other words, it may repudiate the existence and the taking, of the very thing it is asserted has

been taken, by virtue of the Act, under the right of eminent domain. This would compel the patentee to establish the existence or validity of his rights and the infringement or taking thereof, in order to secure compensation for the license under the rights claimed to have been previously taken by virtue of the Act. The contention is manifestly inconsistent.

If the Act of 1910 was intended by Congress that the United States should take, by virtue of eminent domain, because compensation is provided, then the Government cannot deny the existence of the invention or assert that it has as much right thereto as the owner of the patent. The only question to be determined, then, under the Act, is whether the petitioner has title to, or is the *owner* of the sustained and valid patent covering the invention, and what is reasonable compensation for the use or the taking of such property, or a part of such rights, by the Government.

But as we have seen the Act of 1910 itself shows that it is not intended to provide compensation for the exercise of the Federal power of eminent domain, for it expressly provides that the United States may deny the existence of the invention, or the exclusive rights of the patentee, and deny the taking and *claim that it used what it had a right to use or take*, since the Government is allowed to set up any defenses open to an infringer, which would include lack of novelty, invention, anticipation, prior invention, invalidity, etc., and is also allowed to deny any use or taking of the invention.

Therefore, a reading into the act of a compulsory license privilege to the United States, and consequently to a private party like the appellee,

to make, use or sell the invention for Governmental purpose, or interpreting it as a taking of a license under the right of eminent domain, results in rendering the act (1) inconsistent with its history and in perverting its express purposes, (2) repugnant to the policy of the Constitution and the patent statutes passed in pursuance of the Constitutional provision, (3) results in a breach and impairment of the obligations of the patent contract, (4) in a conflict with the usual conditions precedent to the lawful exercise of the power of eminent domain, and (5) in giving rise to the evils we have mentioned.

The reasonable and proper interpretation of the act of 1910, in view of its history, express language and purposes, and the construction which avoids the license theory compulsory, or by the right of eminent domain, and the consequent conflict, inconsistencies, and evils we have referred to, but still leaves the Government free to use patented articles, procured under contract or otherwise, is that by the act of 1910 the Government has simply consented to be sued in the Court of Claims, for reasonable compensation or damages for its *tortious use* or *infringement* of a patentee's exclusive rights.

Proof of a Specific Act of Infringement Other Than That Arising Out of Respondent's Manufacture of the Patented Apparatus and Offer for Sale to the United States Was Unnecessary to Hold the Bill or Support the Application for Injunction.

In considering the respondent's counter application to dismiss, the District Court said (R., p. 102):

“There is no proof (and in the nature of this motion there can be no final proof) that Simon is engaged in no other business than fulfilling this contract with the United States; but plaintiff has asserted in its own affidavits that he (Simon) has often so stated. It is equally true that there is no evidence or suggestion of any other infringement present or contemplated, except that arising under the Government’s contract aforesaid.”

The Court granted this counter motion because the plaintiff did not elect to plead over or amend its bill by “*alleging infringements not arising from Governmental contracts*” (R., pp. 106, 108).

The lower Court was in error in stating that the Petitioner’s affidavits asserted that the defendant (respondent) often stated that he was engaged in no other business than fulfilling his contract with the United States. The respondent had no contract with the United States when the bill was filed and the motion for injunction made. What the petitioner’s affidavits state is that although respondent had *offered infringing apparatus to ordinary commercial users he is devoting special attention to offering to sell and selling infringing apparatus to the Government.*

It is true that on the motion for injunction in the case at bar there was no proof of a *specific act* of making, using or selling by the respondent other than the manufacture of the infringing sample set submitted to the Government, the subsequent offer for sale to it of similar sets and the later contract to manufacture and supply the Government with such sets.

But in the *Firth* case the manufacture and sale

of projectiles by the defendant there was for the United States only.

Moreover the act of the respondent in manufacturing the patented apparatus, before he had any contract with the United States and for his own benefit and profit, is a separate tort, independent of any subsequent sale to or later contract with the United States, and was sufficient basis to sustain the bill and for an order for an injunction. The respondent had no assurance when he infringed that he would secure the Government contract. He deliberately took a chance. If he had not secured the contract there would be no doubt of the respondent's liability and petitioner's right to the injunction for manufacturing the sample set.

Certainly the manufacture of infringing apparatus for the respondent's own personal benefit and profit, even though it is for the sole purpose of selling it to the United States, shows a wilfull intention to disregard the sustained patent rights of the petitioner. There is also the possibility that the infringing apparatus manufactured and in the possession of the respondent would be used by himself, or that he would continue the infringing manufacture after fulfilling the contract with the United States and sell the infringing apparatus to others than the United States. The respondent certainly is in a position to do this very thing and he has not by affidavit or in this record disclaimed any such intention. He nowhere claims that his future intent is to confine his infringing transactions to the United States, while the record contains an allegation that he offered to supply others with the patented apparatus (R., p. 27). Therefore, not only was there

an actual and wilful infringement by manufacturing the apparatus without an order from or contract with the United States, or any assurance of one, but a threatened infringement. Such manufacture, the possibility of the continuance of it, the fact that the apparatus might be sold to others than the United States, or that the respondent might use the apparatus, were sufficient to justify an order for the injunction.

Vicksburg v. Vicksburg, 185 U. S., 65, 82;

Thomson-Houston v. Kelsey, 75 F. R.,

1005, 1007, 2nd C. C. A.;

National Meter Co. v. Thompson, 106 F.

R., 531, 541.

It is therefore submitted that the lower Court should have ordered the injunction to issue, as in the *Firth* case, leaving the question of modifying or suspending its operation as to transactions with the United States, under the specific contract made with it by the respondent, subsequent to the filing of the bill and the motion for injunction, upon the giving of a proper bond.

In any event the lower Court had no power to dismiss the bill for lack of jurisdiction on the failure of the plaintiff (petitioner) to amend as ordered; for the petitioner had the right, under its bill, and might have at the trial, offered proof of an act, or threatened act, by the respondent which constitutes an infringement, and a reason for granting a permanent injunction, apart from any assistance he renders the United States in its infringement and for which assistance he should be personally compelled to respond in damages, as well as to account for his personal gains and profits.

Conclusion.

The specific issues presented to the Courts below and to this Court have not been passed upon fully considered or decided by this Court. But practically the same issues had been decided favorably to petitioner's contention in the *Firth* case. They are serious issues and of general interest. The lower Court's determination is in conflict with the policy of the Constitution and the policy of the patent laws, policies which have stood the test of years of experience. Its determination also perverts the purposes underlying the Act of 1910, as well as bases the exercise of the power of eminent domain on conditions under which such power cannot be rightfully or lawfully exercised.

It is therefore respectfully submitted that the writ prayed for should be granted.

JOHN W. GRIGGS,
Counsel for Petitioner.

DEC 26 1917

JAMES D. MAHER;
CLERK.

Supreme Court of the United States,
OCTOBER TERM, 1917.

No. 168.

MARCONI WIRELESS TELEGRAPH COMPANY
OF AMERICA,
Plaintiff-Petitioner,

vs.

EMIL J. SIMON,
Defendant-Respondent.

BRIEF FOR PETITIONER.

JOHN W. GRIGGS,
L. F. H. BETTS,
Counsel for Petitioner.

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**SUPREME COURT OF THE UNITED
STATES**

OCTOBER TERM 1917.

No. 168.

MARCONI WIRELESS TELEGRAPH
COMPANY OF AMERICA,
Plaintiff-Petitioner,

vs.

EMIL J. SIMON,
Defendant-Respondent.

BRIEF FOR PETITIONER.

Statement of Case.

This case comes before the Court on a writ of certiorari to review the decree of the Circuit Court of Appeals for the Second Circuit, affirming the final decree of the District Court for the Southern District of New York (R. pp. 67, 80, 81; 227 Fed. 906 and 231 Fed. 1021).

This final decree dismissed a bill filed on September 24, 1915, by the Marconi Wireless Telegraph Company of America against Emil J. Simon for the infringement of Marconi Patent No. 763,772 for improvements in Wireless Telegraph Apparatus, and also a motion for preliminary injunction made by the petitioner on September 24, 1915, to restrain respondent's said infringement (R. pp. 2, 3, 67).

The specific acts of infringement and proposed infringement relied upon on the motion for preliminary

injunction were the proposal or bid of the respondent to sell to and supply the Navy Department of the United States with a number of sets of wireless telegraph apparatus infringing certain claims of said patent, the manufacture by the respondent of a sample of such infringing apparatus, the award to the respondent by the Navy Department to sell to and supply it with twenty-five sets similar to the sample, and the intention of the respondent to manufacture and sell such sets to the Navy Department.

The respondent, on November 3, 1915, made a counter motion to dismiss the bill and the motion for preliminary injunction in view of the Act of June 25, 1910, c. 423 (36 Stat. At Large, 851; U. S. Compld. Stat. 1916, Vol. 8, Sec. 9,465) entitled "An Act to Provide Additional Protection for Owners of Patents of the United States and for other Purposes." (R. pp. 50, 51). This act reads as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That whenever an invention described in and covered by a patent of the United States shall hereafter be used by the United States without license of the owner thereof or lawful right to use the same, such owner may recover reasonable compensation for such use by suit in the Court of Claims: Provided, however, That said Court of Claims shall not entertain a suit or reward [sic] compensation under the provisions of this Act where the claim for compensation is based on the use by the United States of any article heretofore owned, leased, used by, or in the possession of the United States: Provided further, That in any such suit the United States may avail itself of any and all defences, general or special, which might be pleaded by a defendant in an action for infringement, as set forth in Title Sixty of the Revised Statutes, or otherwise: And provided further, That the benefits of this Act shall not inure to any patentee, who, when he makes such claim

is in the employment or service of the Government of the United States; or the assignee of any such patentee; nor shall this Act apply to any device discovered or invented by such employee during the time of his employment or service.

Approved, June 25, 1910.

RECORD ON MOTION FOR INJUNCTION.

The motion for preliminary injunction was made on the bill, certain affidavits and exhibits. (R. pp. 2-48.)

The bill of complaint alleged, among other things, that the respondent had infringed the patent in suit and had offered, agreed and contracted to sell, and was offering, agreeing and contracting to sell, and had made, sold and used, or caused to be made, sold and used, and was making, selling and using, or causing to be made, sold and used, radio or wireless telegraph apparatus embodying the inventions of the patent (R. p. 4). It prayed for a preliminary as well as a perpetual injunction restraining such infringement, for an accounting of profits made by the respondent and an assessment of damages sustained by the petitioner by reason of the infringement.

It was established by the moving papers on the motion for injunction (R. pp. 17-48) that

1. The claims in issue of the patent in suit are valid, having been sustained at a trial on the merits, and on motions for preliminary injunctions and on appeal, in several cases against other infringers (R., pp. 18-20; 213 Fed. 815; 225 Fed. 65; 373).

2. Prior to September 24, 1915, the date of the filing of the bill, and in the spring or early summer of 1915, the respondent *manufactured* a sample wireless telegraph set which embodied the substantial and vital elements of, and which infringed the claims in issue (R. pp. 35-37; 38-48; 51-52). Respondent then had no order from or contract with the United States for these wireless sets.

3. *Subsequently* the Navy Department of the United States advertised for bids on radio transmitting sets under specifications of schedule 8121, and, in competition with the petitioner's licensees, the respondent, on or about June 21, 1915, submitted a bid and offered to sell to the United States, under said schedule, the aforesaid infringing wireless telegraph or radio transmitting sets, and a sample of which apparatus he submitted, with his bid, for inspection and test to the Navy Department. (R., pp. 20, 21, 23, 24; 34, 35; 51, 52; 54-57.)

4. On or about the 23rd day of August, 1915, the respondent was awarded a contract by the Navy Department of the United States to sell to it, at a lower price than the licensees of the petitioner, and the respondent intended to sell to the United States the said wireless telegraph or radio transmitting apparatus, but up to September 24, 1915, or the time of filing the bill and making of the motion for injunction, the respondent had not executed or returned the contract to the Navy Department. (R., pp. 20, 23, 24, 54-57.)

5. Such award was made conditionally on the respondent's remedying certain defects in the sample apparatus submitted by him with his bid. (R., p. 31.)

6. The respondent began and is continuing the manufacture of the infringing apparatus for his own personal benefit and profit and to the plaintiff's irreparable loss, damage and injury. (R., pp. 21, 22, 54.)

7. The respondent was financially irresponsible and will be unable to respond to any decree awarding the appellant profits or damages for the infringement. (R., p. 21.)

No affidavits in opposition to the motion for injunction were served by the respondent, and the charge in the bill and in petitioner's affidavit that respondent had made and used the vital and material elements of the claims in issue of the patent in suit was not denied, nor was any denial made, on the motion for injunction, of any of the foregoing facts. On the hearing of the mo-

tion, a letter to the Court from the Acting Secretary of the Navy (which letter was not part of the record) was read, in which it was stated that the interference by injunction with the fulfillment of respondent's contract would embarrass the Navy Department. (R., p. 79.)

RECORD ON COUNTER MOTION TO DISMISS.

In the respondent's affidavits (R., pp. 51, 52; 58-60) on the motion to dismiss, it was asserted that respondent, in or about April, 1915, began work on the design of wireless apparatus to conform to the specifications of the Navy Department contained in said Schedule No. 8121; that on or about April 20, 1915, the respondent gave an order to the Metropolitan Electric Manufacturing Company for the construction and delivery to the Brooklyn Navy Yard of the aforesaid sample set of wireless telegraph apparatus in accordance with the respondent's design; that, after the manufacture of said set, and on June 21, 1915, said set was taken by the respondent to the Brooklyn Navy Yard, and was there subsequently examined and tested to determine whether or not it complied with the Navy Department's specifications; that a report of such test was made to the Navy Department at Washington, whereupon it was recommended that the respondent be awarded the bid for twenty-five radio sets similar to the sample; that such bid was awarded to the respondent for the reason that the sample set he submitted and on which the award was made, with the exception of certain details and a certain switch, was in compliance with the Navy Department specifications; that respondent's apparatus was the only set "which could be said to have been practically satisfactory within the specification" (R., p. 60); that although the contract for the sets had been awarded to the respondent, no contract had been entered into on September 24, 1915, the date when the bill of complaint had been filed herein, and that the contract was entered into

October 9, 1915; that respondent, in supplying the United States with the said wireless sets, understood "he would be free from any and all liability for profits and damages for alleged infringement of patents"; that the aforesaid wireless telegraph apparatus, with which the respondent was then under contract to supply the Government, were the only wireless sets of any description which the respondent has individually and for his own profit made, sold or used; and that the apparatus offered by the petitioner's licensees was unsatisfactory and offered at a much higher price than the respondent's.

The respondent did not deny in his papers on his counter motion that he had manufactured and offered to sell to the United States the material and substantial parts of the inventions of the claims in issue of the patent in suit.

Moreover, the statement that the respondent's bid was the only one that practically complied with the Navy specifications, was an afterthought, as it only appeared in a letter, dated November 1, 1915, from the Acting Secretary of the Navy annexed to the affidavit of respondent read in rebuttal on the counter motion to dismiss. (R., p. 60.) On the other hand, it appears from the memorandum of the award of the contract to the respondent, attached to the Navy schedule (R., p. 31), that the sample set submitted by the respondent had certain defects; that the award of the contract was made conditionally on these defects being remedied; and that each set supplied, would have to comply fully with the Navy specifications.

It appears from petitioner's affidavits read in opposition to the motion to dismiss, and it was not denied, that it is the practice of the Navy Department, in asking for bids for wireless telegraph apparatus such as is called for by Schedule 8121, to request the contractors to bid on apparatus of *their own design* and to submit a sample set of such apparatus for inspection and test, together with *blueprints of the apparatus prepared by the con-*

tractor; that the apparatus called for under Schedule 8121 and a sample of which was submitted by the respondent was not designed or invented by any officers or agents of the Government, but was devised and designed by respondent; and that plaintiff's licensees were and had always been ready to, and plaintiff was ready to, supply and furnish the apparatus called for by the Navy specifications promptly and at reasonable prices.

It also appeared from petitioner's affidavits on this motion that the granting of the injunction restraining the respondent from the infringement of the patent in suit would not, in any way, interfere with any Government work or business, and that the bids and sample sets of the licensees of the petitioner complied in all respects with all of the requirements of the Navy specifications, as to efficiency, time of delivery, etc. (R., pp. 54-57.)

The United States has not formally appeared herein, or acknowledged the existence of, or that the petitioner is entitled to, the exclusive rights under the patent in suit, or that the United States has used any part of the same or appropriated any patented rights of the plaintiff. The Government's alleged interest here is in the carrying out of the proposed contract, or, as the District Court said, in

"defendant's infringing business under his contract with the Navy Department of the United States." (R., p. 67.)

Furthermore, it does not appear that the petitioner refused to accept just or reasonable compensation for a license to the Government under the patent in suit, or that the Government ever applied for a license or disclosed any express or implied purpose to acquire such a license by the right of eminent domain, or that there was any emergency or public necessity for taking any right under the patent in suit.

THE DECISIONS OF THE LOWER COURTS.

In passing upon the petitioner's motion for preliminary injunction in the first instance, the District Court (Judge Hough) found that the claims in issue of the patent in suit were valid, and that the respondent had infringed the same, but held that no injunction should issue "in any way interfering with the contract now existing between Simon and the United States." (R., pp. 61-66.)

In granting respondent's counter motion to dismiss the bill and the motion for injunction for lack of jurisdiction, the District Court considered the questions raised by the motion, such as could have been raised by a plea under the old equity rules, but must now be made by a motion to dismiss the bill under equity rule 29, and therefore held that the respondent

"accepted all the statements contained in plaintiff's moving papers relating to the patent and its construction and the manufacture of Simon apparatus." (R., p. 63.)

The District Court found, in substance, that officers of the Navy Department prepared descriptions for radio apparatus which it was impossible to comply with except by infringing the claims in issue outright or by contribution; that governmental authority then invited bids upon the specifications; that there must be conclusively imputed to the bidders an intention to make use of the inventions of the patent in suit; that several parties bid upon the plans and specifications, including two of the petitioner's licensees under the patent in suit; that the respondent was not the lowest bidder but the best bidder; that he made and submitted one specimen of his infringing apparatus, which was the actual infringing act relied upon on the motion for injunction, and which would be multiplied by similar acts up to the limit called for by Government specifications. (R., p. 64.)

The District Court also found that the respondent was not an employee, agent or the like, of the Government, but, at the time of hearing of the motions, was an *independent contractor* with it and that, if the Government had no interest in the matter, the respondent would be a direct or contributory infringer. (R., pp. 62, 64, 66.)

The District Court held broadly as a matter of law (R., pp. 61-67) that

1. Although the Act of June 25, 1910, provided for additional protection for patentees by extending the jurisdiction of the Court of Claims to cover actions for infringements by the United States, and granted a remedy to the petitioner by permitting a recovery of compensation from the United States for its tort, such as the admitted infringement of the valid patent in suit by the United States, nevertheless, the act deprived the plaintiff of its previously existing remedy in the District Court against the respondent as an infringing *independent* vendor or contractor with the United States.

2. The Navy Department of the United States, through its officers, by right of eminent domain, had under the Navy Schedule 8121 appropriated a license to make, use and perhaps sell any and all of the inventions of the valid patent in suit, and for which license the act of 1910 provided compensation.

3. Therefore the respondent had a lawful right to manufacture any of the inventions of the valid patent in suit, and sell them to the United States as a lawful licensee under the patent, and consequently the respondent was not an infringer and the court had no jurisdiction of the suit, unless the petitioner amended its bill so as to exclude infringing transactions between the respondent and the United States.

The District Court, in the applications of the principles enunciated, recognized no distinction between the character of different kinds of patented inventions,

under which it held that a license may be appropriated by Government officers; nor between the various emergencies, necessities, or purposes for, or which might give rise to, such appropriation.

The broad principle was announced that, under the right of eminent domain, a private person was absolutely free at any time to make use of the inventions of the patent in suit, if any officer of the Government, in the performance of his official duties, simply called for supplies embodying such invention, and the private party agreed to furnish them.

The Court of Appeals affirmed on the opinion of the District Court (R., p. 80). Judge Ward, however, of the Circuit Court of Appeals, dissented (R., pp. 81, 82) on the ground (1) that the Act of 1910 did not intend to create the relation of licensor and licensee between the patentee and the United States, nor (2) to provide compensation for the appropriation of a license under a patent by the power of eminent domain, but Judge Ward held that the Act of 1910 merely provided an additional remedy where the United States "without license" or without "lawful right" made use of the invention of the patent, and that therefore the bill should not have been dismissed, even though the injunction were denied, as a matter of discretion and public policy where the Government's activities were likely to be interfered with.

PETITIONER'S POSITION.

In general, the petitioner contends that, prior to the passage of the Act of 1910, (1) while a patentee had a right against the United States for its use of patented inventions, since the United States has no more right to infringe a patent than an individual, yet that a patentee's *remedy* against the United States for its use of his inventions was limited to uses of an express or an implied licenses, and also where a patentee's rights were taken in the exercise of the power of eminent domain,

but that (2) a patentee was *without remedy* when the United States *infringed* such patentee's rights; (3) that a patentee had *remedies* against officers of the United States for *personal* profits and damages; (4) that a patentee had *remedies* against a vendor to or contractor with the United States; (5) that the Act of 1910 is enlarging and remedial in effect because its only effect is to enable patentees to sue the United States for compensation for infringement; (6) that it does not provide for the exercise of the power of eminent domain to appropriate licenses under patents; (7) that the case of *Crozier v. Krupp* is not binding authority for this Court's dismissing the bill in this suit; (8) that the Act of 1910 does not protect the respondent against infringement by making the patented apparatus under a contract with the United States; that sufficient facts were shown and admitted in this suit to entitle the petitioner to the relief demanded; and that therefore respondent's counter motion should have been denied whether or not petitioner's motion should have been denied.

The petitioner, however, does not challenge the right of the United States to appropriate valid patented rights in the case of public necessity as in the present war, by or under due process of law, and upon the payment or provision for payment of just compensation; but does challenge the legal authority and power of officers of the United States, by calling for the manufacture of apparatus, and contractors with it who intend to supply such apparatus, to appropriate a license under such patented rights under the facts as presented here.

The Patentee's Rights and Remedies Prior to the Act of 1910.

In pursuance of a Constitutional provision (Art. 1, Sec. 8), Congress has passed laws resulting in a patent contract and constitutional monopoly by which, in consideration of the full and proper disclosure by an inventor of his invention, there is *secured* to him and his heirs

or assigns, as directed by the Constitution, *nothing less than exclusive private property rights*, viz., the exclusive, distinct, and separate rights to make, to use, and to sell the invention and to license others to do so, for a limited term.

U. S. Rev. Stat. Sec. 4884;

Grant v. Raymond, 6 Peters, 218, 243;

Bement v. National Harrow Co., 186 U. S., 70, 88-92;

Continental Paper Bag Co. v. Eastern Paper Bag Co., 210 U. S., 405, 423-425, 426, 430;

Good v. Daland, 121 N. Y., 1, 8.

These exclusive rights of an inventor to make, use, and vend his invention, when granted to him by virtue of the Constitution and patents acts, constitute property and, as such, are entitled to the same protection as any other property during the term for which they are granted.

Seymour v. Osborne, 11 Wall., 516;

Cammeyer v. Newton, 94 U. S., 225;

McCormick Co. v. Aultman, 169 U. S., 606, 609;

Dowagiac Co. v. Minnesota Co., 235 U. S., 241, 248;

Swindell v. Youngstown Co., 230 Fed. 438, 442 (C. C. A., 6).

By this patent contract, the inventor is *guaranteed* that he will not be deprived, *without his consent*, of any part of such rights, but will be protected absolutely, by *all* the due processes of the Courts, against any invasion of the right to *exclude everyone, including the United States and its officers*, from making, selling or using the invention.

U. S. v. Burns, 12 Wall. 246;

Cammeyer v. Newton, *supra*;

James v. Campbell, 104 U. S., 356;

U. S. v. Palmer, 128 U. S. 262, 269;

Solomons v. U. S., 137 U. S., 342.

Against the private infringer, the patentee always has had a *remedy* by an action at law for damages, and; since 1819, by a suit in Equity to recover the infringer's profits, as well as the patentee's damages and to obtain an injunction restraining the infringement (*Continental Paper Co. v. Eastern, supra*, at page 424). It has been declared and redeclared, in the cases cited above, that the patent acts should be liberally construed so as to carry into effect the beneficent purposes thereof; that the patentee's *only effective remedy* for any invasion of his rights is an injunction; and that anything less than that deprives him of the exclusive rights provided for by the Constitution without due process of law.

(A) PRIOR TO THE ACT OF 1910 A PATENTEE HAD A REMEDY IN THE COURT OF CLAIMS BY A SUIT AGAINST THE UNITED STATES FOR ITS LAWFUL USE OF AN INVENTION.

The United States, as the sovereign, cannot be sued without its consent.

Schillinger v. U. S., 155 U. S., 163, 167-170;

Belknap v. Schild, 161 U. S., 10, 15-18;

Russell v. U. S., 182 U. S. 516, 530, 531, 535.

However, by various acts of Congress, the United States has consented to be sued in the District Courts and in the Court of Claims for damages for breach of an *express contract* or upon an implied promise and for claims "not sounding in tort" (U. S. Rev. Stat., Sec., 1059; Tucker Act, March 3, 1887, Chap., 359; 24 Stat., 505; U. S. Comp. Stat., 1916, Sec. 991 (20), 1136 (1); Judicial Code, Sec. 24 (20), 145 (1).

Therefore, (1) where the Government had entered into an *express contract* for the use of an invention, by which the exclusive rights of the patentee were acknowledged, or on an *implied contract*, (2) where (a) the use, (b) the acknowledgment of the patentee's exclusive

rights, (c) the consent of the patentee, and (d) a promise to pay might be implied from the facts and circumstances, an action lay against the Government for royalty, or for reasonable compensation for such *lawful taking*.

CASES ON EXPRESS CONTRACT:

U. S. v. Burns, supra;

Hollister v. Benedict, 113 U. S., 59, 67;

U. S. v. Harvey Steel Co., 196 U. S., 310.

CASES ON IMPLIED CONTRACT:

U. S. v. Palmer, supra;

Hollister v. Benedict, supra;

U. S. v. Berdan Fire Arms Mfg. Co., 156 U. S., 552, 567, 570;

Farnham v. U. S., 49 C. Cls., 19, 39; affirmed 240 U. S. 537.

The Court of Claims, in *Farnham v. United States, supra*, referring to the circumstance which gives that Court jurisdiction on an implied contract to pay for the use or taking of a patented invention by the United States, held that it must appear that the United States not only used the patented device:

“but at the time of the use did so with knowledge of the patent and *absolutely no claim of ownership or title upon their part in the thing used*. In other words, the invitation to use the patented article must be accepted by a user of the same *with what amounts to a disclaimer upon the part of the defendants of title or ownership in the invention used, if as in this case the defendants positively disclaim having used the patented article*, and follow this assertion with a positive claim of invention upon their part, quite distinct from the letters patent granted to the claimant, declining to concede either *use or ownership in the articles used to the claimant* * * * *the transaction is one of infringement.*” (Italics ours.)

In all the cases on express or implied contracts there was a “meeting of minds” between the Government and

the patentee (*Bigby vs. United States*, 188 U. S. 400, 418; *Russell vs. United States*, 182 U. S. 516, 530; *Harley vs. United States*, 198 U. S. 229, 234; *United States vs. Société Anonyme, etc.*, 224 U. S. 309.

In these cases on express or implied contracts the United States acknowledged and conceded that the patentee was entitled to the exclusive rights granted by the patent and agreed to pay for the use thereof.

(B) PRIOR TO THE ACT OF 1910 A PATENTEE HAD A REMEDY IN THE COURT OF CLAIMS OR DISTRICT COURTS WHERE HIS PATENTED RIGHTS WERE TAKEN UNDER THE EXERCISE OF THE POWER OF EMINENT DOMAIN.

By a *tortious* or unlawful use of an invention, the United States does not acknowledge or concede that the patentee is entitled to the exclusive rights granted by a patent, or that the United States has appropriated or used any such rights. In fact, any such invasion or unauthorized use of the exclusive rights of a patentee is in effect a *denial of the existence of such rights*; or, at least, such use of such rights is treated by the United States as the *exercise of its own rights*.

Consequently the patentee could not then recover upon the theory of a taking under the exercise of the right of eminent domain—which does not involve the commission of a tort—for which the law would imply a promise to pay reasonable compensation, as in the taking, without the owner's consent, of real or tangible personal property in the exercise of such right, and for which compensation could be recovered in an action in the Court of Claims or in the District Court under the Tucker Act.

But if the prerequisites to the taking of patent rights under eminent domain existed, the patentee could—in a suit in the Court of Claims or the District Court—re-

cover compensation prior to the Act of 1910, on an implied promise to pay.

U. S. Constitution, 5th Amendment;

PATENT CASES:

Hollister v. Benedict, 113 U. S. 59, 67;

Brooks v. U. S., 39 C. Cls. 494;

Bethlehem Steel Co. v. U. S., 42 C. Cls. 365;

OTHER CASES:

U. S. v. Russell, 13 Wall. 623, 626;

U. S. v. Great-Falls, 112 U. S. 645;

U. S. v. Lynah, 188 U. S. 445, 463, 464, 467-470.

In *United States v. Great Falls Mfg. Co.*, *supra*, this Court said:

“The making of the improvements necessarily involved the taking of the property, and if, for the want of formal proceedings for its condemnation to public use, the claimant was entitled, at the beginning of the work, to have the agents of the Government enjoined from prosecuting it until provision was made for securing, in some way, payment of the compensation required by the Constitution (upon which question we express no opinion) there is no sound reason why the claimant might not waive that right, and, electing to regard the action of the Government as a taking under its sovereign right of eminent domain, demand just compensation. *Kohl v. U. S.*, 91 U. S., 374. In that view, we are of opinion that the United States, having by its agents, proceeding under the authority of an Act of Congress, taken the property of the claimant for public use, is under an obligation, imposed by the Constitution, to make compensation. The law will imply a promise to make the required compensation, where property, to which the Government asserts no title, is taken pursuant to an Act of Congress, as private property to be applied for public uses. Such an implication being consistent with the constitutional duty of the Government as well as with common justice, the claimant's cause of action is one that arises out of implied contract, within the mean-

ing of the statute which confers jurisdiction upon the Court of Claims, of actions founded upon any contract, express or implied, with the Government of the United States."

In *Hollister v. Benedict*, *supra*, it was said:

"If the right of the patentee was acknowledged and, without his consent, an officer of the government, acting under legislative authority, made use of the invention in the discharge of his official duties, it would seem to be a clear case of the exercise of the right of eminent domain, upon which the law would imply a promise of compensation, an action on which would lie, within the jurisdiction of the Court of Claims, such as was entertained and sanctioned in the case of *U. S. v. Mfg. Co.*, [i. e., *U. S. v. Great Falls Mfg. Co.*, *supra*] decided at the present Term."

In *Great Falls Mfg. Co., v. Garland*, 124 U. S. 581, 597, Mr. Justice Harlan, speaking for this Court, held:

"Even if the secretary's survey and map, and the publication of the Attorney-General's notice, did not, in strict law, justify the former in taking possession of the land and water rights in question, it was competent for the Company to waive the tort, and proceed against the United States, as upon an implied contract, it appearing, as it does here, that the Government recognizes and retains the possession taken in its behalf for the public purposes indicated in the Act under which its officers have proceeded."

In *United States v. Lynah*, *supra*, after reviewing the foregoing cases, Mr. Justice Brewer said:

"Very different from this proprietary right of the government in respect to property which it owns is its governmental right to appropriate the property of individuals. All private property is held subject to the necessities of government. The right of eminent domain underlies all such rights of property. The government may take personal or real property whenever its necessities or the exigencies of the occasion demand. So the contention that the government had a paramount right

to appropriate this property may be conceded, but the Constitution in the Fifth Amendment guarantees that when this governmental right of appropriation—this asserted paramount right—is exercised it shall be attended by compensation.

“The government may take real estate for a post office, a court house, a fortification or a highway; or in time of war it may take merchant vessels and make them part of its naval force. But can this be done without an obligation to pay for the value of that which is so taken and appropriated? Whenever in the exercise of its governmental rights it takes property, *the ownership of which it concedes to be in an individual*, it impliedly promises to pay therefor. Such is the import of the cases cited as well as of many others.”

In *Dashiell v. Grosvenor*, 66 Fed. 334, 338 (affirmed, 162 U. S. 425), the Court of Appeals for the Fourth Circuit said:

“The proper mode of proceeding in order to secure compensation for private property taken for public use without the consent of the owner, and in the absence of legal action for condemnation, has received judicial consideration, the supreme court of the United States having at different times plainly indicated the same, particularly in cases where the government has used an invention without the permission of the owner of the letters patent protecting the same. *Kohl v. U. S.*, 91 U. S. 367, 374; *James v. Campbell*, 104 U. S., 356; *U. S. v. Great Falls Manuf'g Co.*, 112 U. S. 645, 656, 5 Sup. Ct. 306; *Hollister v. Benedict & B. Manuf'g Co.*, 113 U. S. 59, 5 Sup. Ct. 717; *U. S. v. Palmer*, 128 U. S. 262, 9 Sup. Ct. 104; also, the following cases in the court of claims: *Schillinger's Case*, 24 Ct. Cl. 278, 298; *Gill's Case*, 25 Ct. Cl. 415; *Berdan's Case*, 26 Ct. Cl. 48.”

Therefore, prior to the Act of 1910, where patented rights were conceded to be in a patentee and were appropriated by the United States in the exercise of the power of eminent domain, the owner of those rights, as clearly indicated in the foregoing decisions, could recover

just compensation in an action in the Court of Claims under the Revised Statutes, or in the District Court under the Tucker Act.

This was the view of Judge Ward of the Circuit Court of Appeals in the case at bar. He says, in his dissenting opinion (R., p. 81):

"A taking of property by eminent domain is an admission that the Government is not the owner of the property taken and a promise to pay the owner is therefore implied. For such a taking by the Government a patentee had previous to 1910 a right to recover in the Court of Claims, U. S. Rev. Stat. Sec. 1059 and by the Tucker Act in the Circuit Court of the United States, Chap. 359, L. 1887."

(C) PRIOR TO THE ACT OF 1910 A PATENTEE HAD A REMEDY BY AN INFRINGEMENT SUIT AGAINST OFFICERS OF THE UNITED STATES FOR PERSONAL PROFITS AND DAMAGES.

Although it was held that officers of the United States could not be enjoined from the infringement of a patent when acting in their official capacity, where the infringement *was being conducted at Government plants or the infringing device was in the possession and use of the United States*, yet these officers were liable for the infringement and to account for such profits as they *personally* made and to pay such damages as they *personally* caused.

Cammeyer v. Newton, supra;

James v. Campbell, supra;

Belknap v. Schild, 161 U. S. 10;

Forehand v. Porter, 15 Fed. 256;

Head v. Porter, 48 Fed. 481, 488, 489.

Belknap v. Schild, supra, was a suit in equity against officers in the Navy to restrain their infringement of a patent for improvements in caisson gates *in use* in a dry dock at the Mare Island Navy Yard, and to recover

profits and damages by reason of such infringement. The defendants contended that the gate belonged to the United States; that they had no interest in it beyond operating it as officers of the United States Navy. The Circuit Court granted an injunction restraining the defendants from infringement and awarded profits to the extent of \$40,000. In reversing the Circuit Court, this Court, referring to the principle affecting the liability of the United States and its officers to suits, said (p. 18):

"But the exemption of the United States from judicial process *does not protect their officers and agents, civil or military, in time of peace, from being personally liable to an action of tort by a private person whose rights of property they have wrongfully invaded or injured, even by authority of the United States. Little v. Barrome, 2 Cranch, 169; Bates v. Clark, 95 U. S., 204.* Such officers or agents, although *acting under order of the United States, are therefore personally liable to be sued for their own infringement of a patent.* * * *

"But no injunction can be issued against officers of a State, to restrain or control the use of property already in the possession of the State, or money in its treasury when the suit is commenced; or to compel the State to perform its obligations; or where the State has otherwise *such an interest in the object of the suit as to be a necessary party.*" (Italics ours.)

This Court, after discussing and distinguishing other cases, says, in holding that the court below erred in awarding the injunction (p. 24):

"In the present case, the caisson gate was a part of the dry dock in a navy yard of the United States, was constructed and put in place by the United States, and was the property of the United States, and held and used by the United States for the public benefit. If the gate was made in infringement of the plaintiff's patent, that did not prevent the title in the gate from vesting in the United States. The United States, then, had both the title and the possession of the property. The United States

could not hold or use it, except through officers and agents. Although this suit was not brought against the United States by name, but against their officers and agents only, nevertheless, so far as the bill prayed for an injunction, and for the destruction of the gate in question, the defendants had no individual interest in the controversy; the entire interest adverse to the plaintiff was the interest of the United States in property of which the United States had both the title and the possession; the United States were the only real party, against whom alone in fact the relief was asked, and against whom the decree would effectively operate."

Finally the Court, in holding that no profits should have been decreed, because no profits had been *personally* made by the defendants, said (p. 25):

"The defendants, in any such suit, are therefore liable to account for such profits only as have accrued to themselves from the use of the invention, and not for those which have accrued to another, and in which they have no participation. * * *

"But no ground for equitable relief, by injunction, by account of profits, or otherwise, being shown, the proper remedy of the plaintiff against the defendants for such damages is by action at law." (*Italics ours.*)

Dashiell v. Grosvenor, 162 U. S., 425, was also a suit in equity against a naval officer for the alleged infringement of the plaintiff's patent relating to cannons. The cannons were being manufactured at the Washington Navy Yard under the directions of the Chief of Ordnance of the Navy Department, and under the authority and procurement of the defendant, who designed the alleged infringing cannon and for which he obtained a patent. He had a contract with the United States under which he was to receive a certain sum for every cannon manufactured. The Circuit Court enjoined the defendant and awarded an accounting of profits and damages (62 Fed. 584). The Circuit Court of Appeals reversed the court below on the ground that the suit was in substance *one*

to enjoin the United States from making the cannon at the Navy Yard (66 Fed. 334). The judgment was affirmed by this Court, but on the ground that there had been no infringement.

International Postal Supply Co. v. Bruce, 194 U. S., 601, was a suit in equity for an injunction and accounting against a *postmaster* for the infringement of a patent for stamp-cancelling and post-marking machines. The defendant did not personally make or use the machines, but they were *hired* from the manufacturer by the United States Post Office Department, and were being used by the United States at the post office in Syracuse, New York, by subordinates of the defendant. Upon these facts the case came before this Court on a certificate of the Court of Appeals for the Second Circuit, as to the power of the Circuit Court to grant an injunction restraining the infringement.

This Court answered the question in the negative, holding that the question was governed by *Belknap v. Schild*, *supra*, and that the injunction against the postmaster *would restrain the United States* from the use of property in its possession. There was, however, a strong and able dissenting opinion by Justices Peckham and Harlan.

In none of the above cases was the suit brought against an independent *manufacturer* and *contractor* who had primarily for his own benefit and profit designed and manufactured the infringing device and subsequently sold it to the United States or who was about to contract to supply it to the Government.

Those suits were brought directly against officers of the United States who had committed the infringement in their official capacity and had derived no personal profit from it. Moreover, the United States began and was continuing the infringement itself at its own plant, or was in possession of or had title to the alleged infringing devices or property. It was a necessary party to the

suits which were intended to deprive it of its use of property in its possession and use, or to enjoin its officers from continuing an infringement on its behalf, and as the United States could not be made a party to the suits, they failed.

These suits in equity, brought against officers of the United States for infringement of a patent, were not dismissed *for lack of jurisdiction, but the Court assumed jurisdiction and decided each case on its merits.*

In the case of a tort affecting other kinds of property than patent rights, the injured party is entitled to relief against government officers.

U. S. v. Lee, 106 U. S., 196;

Magruder v. Belle Fourche Valley Ass'n., 219 Fed., 72 (C. C. A., 8).

(D) PRIOR TO THE ACT OF 1910 A PATENTEE HAD A REMEDY IN EQUITY FOR AN INJUNCTION AND ACCOUNTING FOR INFRINGEMENT AGAINST VENDORS OR CONTRACTORS WITH THE UNITED STATES.

This point is conceded by the District Court (R. p. 65). Since the officers and agents of the United States in times of peace were personally liable to suits for profits they *personally* made from their infringement of a patent while acting under orders of the United States, and for damages they *personally* caused, *a fortiori* a private party who primarily manufactured an infringing device for his *personal* benefit and profit, with or without an order from the Government, and subsequently sold it or contracted to sell it to the Government or used it in his work under the contract, would also be subject to such liability, and also to an injunction.

Governmental immunity did not extend to such a private trespasser for the wrong committed by him, in such making, using or selling of the infringing apparatus.

Furthermore any trespass by the United States or its officers, as users of an infringing device, is independent of the trespass by manufacture and sale of a private party such as that of its vendor or contractor.

Brady v. Atlantic, 4 Cliff., 408; Fed. Case. 1,794, was a suit in equity against a *contractor* for infringing a patent for improvements in dredging-boats. The infringing vessel was *designed* by United States Army engineers acting under orders from the War Department. The defendant contracted to build the vessel for the United States according to the designs, plans and specifications of the War Department, and the boat was built under the immediate supervision of officers of the United States, and the orders of the War Department.

Yet in holding the contractor liable Mr. Justice Clifford said (p. 417):

“Contractors of the government derive no power in a case like the present, by virtue of their contract, *to take the property of private individuals without their consent, and to use and apply the same in fulfilling their contract obligations.* Such a contractor * * * *is not the agent of the government to seize and appropriate whatever materials he may seek to fulfil his obligations.*” (Italics ours.)

An accounting was granted, but the question of an injunction was left undecided, while the case was taken to this Court. Without reviewing the question of liability, this Court *held jurisdiction* and reversed the decree of the Court below on the ground that the plaintiff's patent was void (107 U. S. 192).

The following cases contain some interesting dicta that an individual manufacturer and contractor with the United States who furnished the United States with an infringing article or who employed, at the direction of the United States, an infringing process in the execution

of such contract would be liable in a suit against him by the injured patentee.

Beach v. U. S., 41 C. Cls. 110;

Schillinger v. U. S., 155 U. S. 163;

Curved Co. v. U. S., 50 C. Cls. 258.

In *Beach v. United States*, *supra*, (affirmed, 226 U. S. 243), the plaintiff was an inventor of certain improvements in pneumatic transportation of mail. Apparatus embodying his invention was offered by him to the United States, but his bid was not accepted. Subsequently the United States installed and used infringing apparatus under contract with a private party. The plaintiff brought a suit in the Court of Claims against the Government on an implied promise of the United States. The Court of Claims held that there was no such promise and therefore that it had no jurisdiction, but that Beach could seek relief *against the contractor* who made and sold the infringing apparatus to the United States. The Court said (p. 149):

"If the *contracting company* took Beach's inventions and applied his ideas to practical use in the postoffices of the cities of the country under its contracts with the Government, then the company has infringed upon the plaintiff's rights as inventor. It is, in this event, *liable for the infringement at the suit of the inventor*, but not in this court." (Italics ours.)

Schillinger v. United States, *supra*, arose in the Court of Claims and was based on an implied promise for compensation for the use of a patent for a method of laying a pavement. Cook, the contractor, laid the pavement for the United States by a method alleged to infringe the plaintiff's patent. The Court of Claims held that no express or implied contract had been established. This Court sustained the Court of Claims and held that because the action sounded *in tort* for infringement the Court of Claims had no jurisdiction. But in the course of its opinion this Court pointed out that the *contractor was liable*, stating (p. 171):

"It may be that the process or mode by which Cook, the contractor, constructed the pavement in the Capitol grounds was that described in and covered by the Schillinger patent. He may, therefore, have been an infringer by using that process or mode in the construction of the pavement, and liable to the claimants for the damages they have sustained in consequence thereof." (Italics ours.)

That a contractor would be subject to an injunction restraining his manufacture of a patented invention for the use of the Government was the opinion of Attorney General Olney.

In 21 *Opinions of Attorneys General* 96, it is said:

"2. If contractor is manufacturing under a patent, would he be subject to injunction prior to a determination of the Courts of the question of an infringement, and will an injunction lie against this Department, or its officials as individuals, as parties to such suit?

"Upon a proper case, aptly stated in a bill, a judge may grant the preliminary injunction to restrain the manufacture or use of a patented invention prior to a final determination of the case. Such restraining order may be directed against one who, as a contractor, is manufacturing articles under the alleged infringing patent, or it may be directed against any individuals charged with using such articles, who may be parties to such bill. It will not lie against one of the Departments of the Government."

It thus appears that prior to the Act of 1910, the District Courts had jurisdiction of a suit in equity for an *injunction* and accounting against an independent manufacturer and vendor to the United States or a contractor with it who, even when acting under orders of the United States or in the performance of his contract with the United States, infringed a patent by the use even of a device designed, planned, or invented by officers of the United States.

These then were the remedies which a patentee had prior to the Act of 1910.

(E) BUT PRIOR TO THE ACT OF 1910 A PATENTEE HAD NO REMEDY AGAINST THE UNITED STATES FOR THE USE BY THE UNITED STATES WITHOUT LICENSE OF LAWFUL RIGHT, i. e. A TORT OR INFRINGEMENT OF A PATENT.

The Government had not, as we have indicated, consented to be sued for its *torts* committed by it through the action of its officers in an official capacity. The patentee therefore, was without any *remedy* whatever to redress the wrong done him by the Government's invasion and impairment of the exclusive rights of his patent. He could not enjoin it directly or indirectly and had no way of recovering damages or compensation for its infringements. This was simply due to the doctrine that the Sovereign could not be sued in *tort* for its infringement, or to recover damages for the injury caused thereby, or be enjoined, without its consent, which it had not given.

Schillinger v. United States, supra;

United States v. Berdan, 156 U. S. 552;

Belknap v. Schild, 161 U. S. 10;

Russell v. United States, 182 U. S. 516.

In *James v. Campbell*, 104 U. S. 356, this Court stated that legislation was necessary to cure this injustice.

As we shall point out, the Act of 1910 was passed solely for the purpose of remedying this situation.

The Act of 1910 is an Enlarging and Remedial Statute by Which the United States Simply Consents to be Sued in Tort for its Infringement of Certain Patents.

The purpose of the act is declared in the report of the Committee on Patents of the House who, in presenting the bill, said (House Report No. 1288; May 7, 1910, 61st Congress, 3rd Session):

“The purpose of this bill is to enlarge the jurisdiction of the Court of Claims so that said Court may entertain suits against the United States for the

infringement or unauthorized use of a patented invention in certain cases and award reasonable compensation to the owner of the patent.

* * * * * * * *

"Our only purpose is to extend the jurisdiction of that court so that it may entertain suits and award compensation to the owners of patents in cases where the use of the invention by the United States is *unauthorized and unlawful*; in short, to give the court in patent cases, *in addition to* the jurisdiction it now has in matters of *contract*, jurisdiction in cases of *tort*." (Italics ours.)

As we have seen, prior to the Act of 1910, a patentee had a remedy against the Government for its use of patented inventions where there was present an element of contract or license, either express or implied (*supra*, pp. 13-14).

Moreover a patentee had a remedy under the Revised Statutes and the Tucker Act on an implied promise to pay where the conditions precedent to the taking of patent rights under the power of eminent domain existed (*supra*, pp. 15-19).

But a patentee was without remedy where the Government committed a tort or infringed a patent (*supra*, p. 26).

Neither were the officers of the Government liable where the injunction would act as a restraint upon the United States. Its officers were, however, liable for the profits they personally made and the damages they *personally* caused by infringements committed in their official capacity. But they never made any personal profits or individually caused any damage. The loss and damage to the patentee were caused by them in their official capacity. The patentee, therefore, could not recover compensation from them or the United States for infringement committed on its behalf, or for its benefit (*supra*, p. 19).

Consequently a patentee *had no remedy* or means of indemnification for a wrongful invasion of his exclusive rights by the United States or its officers.

Where an individual, however, manufactured and entered into a contract with the Government to supply or sell to it infringing apparatus, such individual contractor was liable to an injunction and an accounting for his infringement, but there was still no remedy against the Government for its infringement (*supra*, p. 23).

The sole and plain intention of the Act of 1910 was to remedy these injustices by the Government's consenting to be sued *in tort* for the infringement of all patents, except where the claim was made by a Government employee or his assignee or where the device of the patent was made during the time of Government employment.

That such was the intention is clear from (1) the language of the act and (2) was also recognized by this Court in *Crozier v. Krupp*, 224 U. S. 290, 303.

The purpose of the Act, as stated in the title, is "to provide additional protection for owners of patents." The use of an invention by the United States, referred to in the act, is one "without license of the owner thereof or lawful right to use the same." The act specifies that the reasonable compensation to be recovered is for "such use." The act neither expressly nor impliedly states that patentees, with certain exceptions, may recover reasonable compensation for any lawful use or exercise of lawful power by the United States. The recovery is limited to use by the United States "without license . . . or lawful right."

Obviously such clear language ought not to be judicially construed into the recovery of compensation for the appropriation of a license by the lawful exercise of the right of eminent domain, and consequent immunity from suit to the respondent.

Nor ought the Act of 1910 be construed to change the previously existing law regarding the patentee's ex-

clusive right to his invention even as against encroachment by the Government. If the intention of Congress is carried into effect, it must be construed to provide compensation for infringement.

It must be presumed, from the avowed purpose of the Act, that Congress, in passing it, did not intend to limit a right already existent, nor to make provision for a remedy that already existed. Yet, if this suit is affirmed on the ground that the Act is a licensing Act, the petitioner will have been deprived of the important and valuable right of enjoining and recovering profits and damages from an independent manufacturer and contractor with the Government who supplies or sells to it apparatus invading the rights of the petitioner; for a plea of a license under the Act is a good defense either in equity or at law. Would such a result be providing "additional protection for owners of patents"?

And if it be held that the Act gives the Government the power of appropriating patent licenses by virtue of eminent domain, the rights of owners of patents are further restricted because one effect of the Act then is that in all cases of suits against the Government for use of patented inventions, where no element of contract is present, the Government may attack the validity of the patent. This was not the case before the Act of 1910, for patentees then had remedies against the Government in case of a taking under the power of eminent domain and such cases involved necessarily, to prevent their being actions for tort, the recognition of the patentee's rights.

For these reasons, it seems clear that the Act should be construed to apply only to cases of infringement by the Government as distinguished from cases of a taking under the power of eminent domain; and should not be construed to deprive this petitioner of its formerly existent right to an injunction against this respondent, and the recovery from him of damages and profits.

And the fact that the act was designed solely to deal with cases where the Government had *not* acknowledged the existence of any exclusive patented rights, and had *not* conceded any use thereof, and had *not* acquired a license or lawful right to use the invention, as contrasted with the other class of cases where the United States had made such acknowledgments and acquired a license by contract or had lawfully acquired the right to use, is shown by the provision of the act that

“The United States may avail itself of any and *all defenses, general or special, which might be pleaded by a defendant in an action for infringement* as set forth in title 60 of the Revised Statutes or otherwise.” (Italics ours.)

It is well known and settled that a licensee, while enjoying a license, or right to use an invention, even if it is the United States, cannot attack the licensor's title or the *validity* of the licensor's patent, in a suit for compensation or royalties for the use of the invention under the right or license.

Kinsman v. Parkhurst, 18 How., 289;

Harvey Steel Company v. United States, 38 Ct. Cl., 662; 196 U. S., 310, 315;

Platt v. Fire Extinguisher, 59 Fed. 897, 901;

Moore v. Boiler Co., 84 Fed. 346, 347;

Holmes v. McGill, 108 Fed. 238, 244.

The act of 1910 neither expressly nor impliedly indicates any intention to change this well established and fundamental rule. But under the last quoted provision of the Act, the Government, *not* being a licensee nor having any right under the patent, but being an infringer, may *deny title in the patentee and set up the invalidity of the patent and its non-infringement of the invention thereof as defences* to the patentee's claim for compensation for infringement.

Prior to the Act of 1910 the Court of Claims, in an action to recover compensation on contract for a use of a patented invention by the United States, had no jurisdic-

tion to hold the patent *invalid* and its "judgments do not assume to do so" though they may limit it. *Farnham v. U. S.*, 49 C. Cls. 19. But as an action under the Act of 1910 is intended to be an infringement suit, and as the Government may avail itself of the defenses of invalidity, non-infringement, and all the other defenses of an infringer, the Court may now give judgment of invalidity.

Therefore (1) the report of the House Committee in presenting the Act, (2) the express language used therein, (3) the character of the defenses available to the United States in an action against it under the Act, (4) the prior acts of Congress by which the Government consented to be sued for its lawful taking or licensed use of an invention, (5) the fact that neither the Government nor its officers can be enjoined or damages or profits recovered from them, all indicate that it was the intention of Congress in passing the Act of 1910, to *merely* provide an additional remedy, *i. e.*, a suit in the Court of Claims directly against the United States for reasonable compensation or damages where it, through its officers, *was using* the invention contemplated by the Act *unlawfully* and *without* the patentee's consent, *viz.*, for its infringement or tortious use of such patented invention.

For this situation, this injustice, no remedy had previously been provided, whereas, as has been shown, there were remedies in cases where the taking or use was under contract, express or implied, or under the exercise of the power of eminent domain.

This is the view of the Act of 1910 taken by Judge Ward of the Circuit Court of Appeals in his dissenting opinion. He says (R., p. 81):

"A taking of property by eminent domain is an admission that the Government is not the owner of the property taken and a promise to pay the owner is therefore implied. For such a taking by the Government a patentee had previous to 1910 a right to recover in the Court of Claims, U. S. Rev. Stat. Sec. 1059 and by the Tucker Act in the Circuit Court of the United States, Chap. 359, L. 1887.

"But the Act of June 25, 1910, provided for an entirely different situation, viz: the Government's asserting its right to use the thing or process patented without the consent of the patentee. For this situation there had been no remedy for the patentee against the Government.

"I think Congress did not intend to create the relation of licensor and licensee between the Government and the patentee when the Government claimed to be acting within its rights, but merely to give the patentee what the title of the act correctly describes as additional protection, viz., a remedy in case of a tortious taking under a claim of right. That is the present case."

The District Court was in Error in Holding that the Act of 1910 Protected or Granted Immunity to the Respondent for his Use of the Invention of the Patent in Suit.

This finding of the District Court, upon whose opinion the Circuit Court of Appeals affirmed, deprives the plaintiff of the remedies it had prior to the Act of 1910, viz., a suit in equity in the District Court against the respondent, an independent manufacturer and vendor, for an injunction restraining *his* infringement and for an accounting for *his* profits and damages, or an action at law for damages.

The finding of the District Court was to some extent based on some observations in *Crozier v. Krupp*, as to the effect of the operation of the Act of 1910, and to which observations we shall hereafter refer.

But the District Court also argued that the Government could have taken the respondent into its employment at a stated salary fixed at the amount of his profits under his contract; that if this had been done plaintiff could only begin an action, under the Act of 1910, in the Court of Claims, as respondent would then "be as immune as an admiral"; and that there is no real distinction between the respondent committing the infringement by contract with the Government than there would

be by his committing it by days' work as an employee of the Government. This position is speculative and not tenable. It ignores the facts. Such a doctrine would wipe out all distinction between employees and independent manufacturers and contractors.

The respondent began the infringement as a private citizen and before he had any contract with the Government, and continued the infringement to the damage of the plaintiff and for his personal profit as well as for Government use. He had no assurance of an order from or contract with the Government when he began the infringement by the manufacture of the sample radio set. The lower courts seem wholly to have overlooked this fact. The District Court's contention also sweeps away the distinction between the infringing private citizen and an infringing Government and its officers. It confuses the right of a patentee to enjoin such *private* infringer, and to recover compensation *from him*, even when acting with the Government, with the power in the Chancellor to adjust his decree to what public necessity demands.

The District Court also argued that the reason for permitting suits against contractors before the Act was that an infringement was a tort, and that as the United States could not be sued for a tort, patentees were without a remedy against the Government.

This argument overlooks the fact that the patentee could sue and enjoin the private infringing maker, user and seller and also recover a judgment for profits and damages *against each* of them, because they were independent and different infringers upon his exclusive rights. (See *Jennings v. Dolan*, 29 Fed. 861; *Daimler Mfg. Co. v. Conklin*, 170 Fed. 70 (2nd Circuit Court of Appeals); *Robinson on Patents*, §906, n. 2).

In the case at bar, the plaintiff had a right of action to recover damages and profits made by Simon as an independent *manufacturer* and *seller* to the Government,

and also had an independent right of action, but *no remedy*, against the Government as a *user* of the infringing apparatus.

This Court, in *Birdsell v. Shaliol*, 112 U. S. 487, said :

“But an infringer does not, by paying damages for *making and using* a machine in infringement of a patent acquire any right himself to the *future use* of the machine. On the contrary, he may, in addition to the payment of damages for *past* infringement, be restrained by injunction from *further using*, and when the whole machine is an infringement of the patent, be ordered to deliver it to be destroyed. *Suffolk v. Hayden*, 3 Wall. 315, 320; *Root v. Railway Co.*, 105 U. S. 189, 198; *Needham v. Oxley*, 8 L. T. 604; *Freerson v. Lee*, 9 Ch. Div. 48, 67. Nor does one who pays damages for *selling* a machine in infringement of a patent acquire for himself or his *vendees any right to use that machine.* * * *

The recovery and satisfaction of a judgment for damages against one wrongdoer does not ordinarily confer upon him or upon others, the right to continue or repeat the wrong.

“This view is in accord with the judgment of *Vice-Chancellor Wood*, afterwards *Lord Chancellor Hatherley*, in two suits brought by a patentee, the one against the manufacturer and the other against the user, where the plaintiff asked for an injunction against each, for an account against the manufacturer and for damages against the user, and declined to accept an offer of the user to pay him the like royalties that other persons paid. It was argued in behalf of the user that the patentee was not entitled to damages against him, as well as to an account against the manufacturer; and could not have an account against the seller without adopting the sale, and, if he adopted the sale, had no right to get anything from the purchaser. But the *Vice-Chancellor* held that the plaintiff was entitled to an injunction, to an account, or, upon his waiving that, to damages against the manufacturer, and *also* to damages against the user, and said: ‘With regard to the damages, it has never, I think, been held in this court that an account, directed against a manufac-

turer of a patented article, licenses the use of that article in the hands of all the purchasers. The patent is a continuing patent, and I do not see why the article should not be followed in every man's hand, until the infringement is got rid of. So long as the article is used, there is continuing damage.' *Penn v. Bibby*, L. R., 3 Eq. 308; S. C., 15 Weekly Reporter, 192." (Italics ours.)

In *Jennings v. Dolan*, 29 F. R. 861, the Court said:

"All the defendants in both cases participated in the tort constituting the infringement so far as Dolan *made* and the others *sold* the same infringing articles. Such torts are both joint and several, and those who commit them are liable jointly or severally. There may be several judgments, but only one satisfaction. *Lovejoy v. Murray*, 3 Wall. 1; *Birdsell v. Shaliol*, 112 U. S. 485.

"The plaintiffs are therefore entitled to a decree against Dolan for the whole damages for *making and selling* all the infringing articles that he made and had sold for him; and against the defendants in the other case for the damages resulting from what of those articles *they sold for him*."

In *Daimler v. Conklin*, 170 Fed. 70 (C. C. 2nd Cir.) the Court said, after quoting section 4884 of the Revised Statutes:

"The United States thus gives to patentees three distinct and independent rights within its own territory, viz.: the right to make, the right to use and the right to sell."

There being, therefore, three distinct and independent rights, there are three distinct and independent remedies which a patentee has, to wit, the right to recover from the infringing *manufacturer* and vendee for profits and damages, and the distinct and independent right to recover against the *user* for damages and profits.

It was on this latter principle that the courts, prior to the Act of 1910, took jurisdiction of a suit against

an infringing contractor with the Government, and not because the Government had not consented to be sued. A contractor acting for his own profit and benefit has *not* the same relation to the Government as one of its officers or employees. The latter are acting solely and only in the interests of the Government when they are conducting an infringement or threaten to infringe with Government material at Government arsenals, Navy Yards or plants, and the result of whose work is Government property, as in *Crozier vs. Krupp*. The respondent's infringing sample set was made by him in his own time with his material, and was his own property. The United States had not acquired any right or title to it. The infringing sets which the respondent proposed to manufacture at his own plant, under contract, would not become Government property until delivered to or accepted by the United States. They may never be delivered to or be accepted by the United States. In the case of non-acceptance the respondent would undoubtedly be liable to an injunction and for damages and *his* profits.

THE INJUSTICE OF THE DECISIONS BELOW.

The Government always secures itself against the payment of the savings made or damages caused by it in such use, by requiring in its contract that the infringer save it harmless or by requiring an indemnity bond from the vendor or contractor. Neither that contract, the bond, nor the act of 1910, however, specifically affords any security for the payment to the patentee of the personal gains and profits made by the vendor or contractor, or the loss or damage to the patentee caused by *his* making the infringing device or selling it to the United States.

The purpose of the act was not to confer upon private parties the right to manufacture any patented article,

which the Government may use or need and then offer to sell, and sell or contract to sell the article to the Government, without the infringing manufacturer's being liable to an injunction and for profits and damages.

The Act covers only cases of inventions which have "been USED by the United States",—not cases where the invention is manufactured or used by a vendor to or contractor with the United States, or one who proposes to contract with it, as in the case at bar.

Simon's manufacture and use of the invention was a separate and different tort from any Government "use" of the invention. The act clearly was not intended to turn the respondent's tort into a right or license.

Yet this is the effect of the decisions below, and it follows that the independent contractor is relieved entirely, may keep such profits as he has made, and the Government is liable for the contractor's profits or the loss or damage to the patentee, *as well as* liable for the gains and savings made by the Government, or the damages the Government caused to the patentee if it used the invention embodied in the contractor's work. That is the logical and legal result of the District Court's rulings.

Congress never intended any such result in passing the Act of 1910.

This result is manifestly unjust to the Government as well as to the patentee, and if affirmed will also give rise to many evils. Where the burden is thrown on the Government to defend the case and pay *all* losses, damages and profits, manufacturers will be encouraged to begin the infringing manufacture of *all kinds of patented articles*, which may be needed and used by the Government, for the alleged purpose of a subsequent sale to and use by it under contract or otherwise; it may also be used as a cloak for infringers to supply the government with patented apparatus where

some other unpatented apparatus, means or methods would answer the Government's purposes.

It will multiply the number of infringers and thus deprive the patentees, contemplated by the Act of many of the attributes of the exclusive rights granted by patents, and which rights have been guaranteed by the Constitution and patent laws as an inducement to the disclosure of inventions. Private manufacturers will not hesitate to enter this infringing field, if their infringing manufacture and subsequent sale to the United States cannot be enjoined and they cannot be held individually liable for the profits *they* make or damages or losses *they* cause.

If contractors are licensed or if they may supply the Government as licensees under the Act, they cannot be held liable to an injunction or for losses, damages and profits in equity or damages at law. In other words if they are not infringers they cannot be sued either in equity or at law. The Government must assume *their* liability under the Act as construed by the District Court and attempt to recover from them in separate suits. It is this very idea which induced the appellee to begin the infringement of the patent in suit, which had been previously sustained. (R., p. 52). Certainly Congress in passing the Act did not contemplate this condition of things and the imposition of such liability on the Government.

Speaking of the effect of the Act of 1910 and of the decisions of the lower Courts in the case at bar, it is said in *Walker on Patents*, 5th ed., p. 197:

"It does not appeal to our sense of justice that a third party without the consent of the patentee, should be permitted to retain to himself profits which he has acquired by carrying out his contract with the government when he would not be permitted to retain them had he been carrying out the contract with a private party or had been using the patent for his own benefit."

Furthermore, the owners of patents and their licensees bid upon Government contracts calling for many kinds of patented articles, from pins to the modern dreadnought. But the infringers will always underbid the owner and his licensees and secure the contract, if they are not obliged, like contract licensees, to pay any royalties for the use of the inventions. Consequently, not only does the patentee or his licensees lose the Government contract and the profit thereof, but his licensees will cancel or attempt to cancel their licenses on the ground that, as the Government is a large user of the patented apparatus, and as no redress can be obtained against infringing vendors to or contractors with the Government, the rights under the license cannot be protected, and therefore there is no reason or benefit in retaining the license, but a positive disadvantage.

Where is the incentive to the creation or development of inventions for Governmental use in times of peace, preparedness, or war; and why should any one take or continue a license under any patent covering such inventions, if anyone may manufacture and sell articles embodying the inventions to the United States, without being in any way *individually liable* to the inventors or the owners of the patents for the inventions?

Why should the Act of 1910, manifestly designed for the *protection* of the exclusive rights of inventors and their licensees, and plainly intended to *provide a remedy* for the invasion of those rights by the United States, be construed into a licensed cloak or protection for the deliberate and wrongful use of inventions by private parties, and a grant, without the inventor's consent, of a broad privilege to the United States under the patent for the inventions?

Why should such a construction be placed upon the Act in a time of preparedness or war when the Govern-

ment, and particularly the Navy Department thereof, is calling for the assistance of inventors?

As the Court said in *Firth v. Bethlehem Steel Co.*, 216 Fed. 756:

“If the doctrine that preparedness for war is a preservative of peace holds good, the inventive genius of the nation should be given every stimulus to apply itself in the direction here indicated. At the present time added emphasis is given to the concern which all feel in the success which may attend such efforts.”

Yet, the courts below have construed the Act as not only granting a compulsory license to the United States to *make, use and possibly sell* the patented invention, but as conferring a right and license upon the respondent, an independent manufacturer and vendor, to make and sell the patented invention to the United States, and consequently as affording protection and immunity from suit to infringing manufacturers who subsequently sell or contract to sell the infringing articles to the United States *thus depriving the plaintiff of some of its remedies* for protecting its exclusive patented rights which the Court below holds (R., p. 65) it had prior to the Act.

This Court, before or since the passage of the Act of 1910, has never held that infringing contractors with the Government are exempt from an injunction or from liability for damages and profits. The Act, was, as this Court said, “*Inspired by the injustice*” of the rule that the United States had consented to be sued for its use of an invention under an express or implied contract or for a lawful taking, *but not for its infringement or unlawful use of the patent for the invention.* (*Crozier vs. Krupp.*)

The District Court having had jurisdiction of a suit of the character of the suit at bar prior to the Act of 1910, it should not have construed the Act as ousting it of that jurisdiction and as granting immunity to the re-

spondent, unless the act affirmatively disclosed such an intention.

The Act, however, does not expressly or even by necessary implication, show any intention of ousting the District Courts of any pre-existing jurisdiction over a suit of this character, or of granting immunity to any party.

Such was the view of the act taken by Judge Ward of the Circuit Court of Appeals in this case, and by Judge Dickinson in *Firth v. Bethlehem Steel Co.*, *supra*.

Judge Ward in his dissenting opinion says (R., p. 82):

"Nor do I think that Congress intended to take away from patentees the right of suing independent contractors with the Government. The case of officers of the Government stands on a different ground because suing them is tantamount to suing the sovereign."

The case of *Firth v. Bethlehem Steel Co.* (199 Fed. 353; 216 Fed. 756; 224 Fed. 937) was brought for an injunction and an accounting to restrain the defendant from manufacturing and selling *projectiles* which were patented January 4, 1910. The defendant was manufacturing the projectiles under a contract with the United States and from its designs. The manufacture evidently took place after the Act of 1910 and appears to have been the only use of the invention by the defendant. In fact, the United States was the principal if not the sole user of the projectiles (199 Fed. 353; 224 Fed. 937).

The Government, though not a party, appeared by its attorney in the case on the ground that it was interested in the fulfillment of the specific contract under which the vessel was being constructed. Judge Dickinson held that that was its only concern in the suit.

In considering the question of governmental use in view of the Act of 1910, and the decision in *Crozier v. Krupp*, Judge Dickinson said (216 Fed. 762):

“Whether governmental use should be excepted from the exclusive proprietary rights given to the patentees is a policy for the consideration of Congress, not of the courts. The argument based upon the ruling in *Crozier v. Krupp*, 224 U. S., 290; 32 Sup. Ct., 488; 56 L. Ed., 771, ignores the distinction that the right of action given by the act of 1910 against the government *does not grant immunity to any private trespasser upon the rights of patentees*. The Bethlehem Steel Company, and not the United States, is the defendant here, and to say that, *because of the government use of these projectiles, the plaintiff is deprived of a remedy for wrongs done it is to confuse the power to issue writs of injunction with the exercise of the discretion of the courts in their issue.*” (Italics ours.)

Notwithstanding the fact that the contractors in the *Firth* Case were actually engaged in manufacturing such articles of war as projectiles, under a contract with the United States and from its designs, which manufacture was being supervised and directed by officers of the United States, the court *retained equitable jurisdiction* and granted a decree against the contractor, sustaining the patent, holding that it had been infringed, *ordering an accounting of damages and profits, and directing an injunction against the contractor*. On appeal (224 Fed. 937) the decision was reversed on the ground of non-infringement.

Judge Ward and Judge Dickinson take the correct view of the Act of 1910.

In *Hopkins on Patents*, Vol. 1, p. 770, published in the year 1911, after the Act of 1910 was passed, it is said:

“Of course, the fact that a contractor infringes a patent in the course of executing a contract with a State or with the United States *does not exempt him from liability for infringement.*”

THE CONSTRUCTION PLACED UPON THE ACT BY THE DISTRICT COURT IS UNSOUND AND UNWARRANTED.

The District Court decided that by virtue of the Act of 1910, and the invitation to private citizens, by the Navy specifications, to infringe, officers of the Government had appropriated, by right of eminent domain, a license in its widest sense, to make, use and possibly *sell* any and all of the inventions covered by the patent in suit, for which the act provided compensation (R., pp. 63, 64).

The District Court was in error in assuming that by calling for bids for wireless apparatus under the Navy specifications government officers appropriated a license under the patent. *The specifications did not mention the invention of the patent in suit.* The officers of the Navy might have been satisfied with unpatented apparatus, or means.

The District Court's theory of the appropriation, through the Navy specifications, of a license by the right of eminent domain is based upon certain expressions in the opinion of this Court in *Crozier v. Krupp*.

The opinion in that case in substance observed that the United States had authority to exercise the power of eminent domain over patents; that a patentee might claim that he had a valid patent, and that officers of the Government, officially and for and on behalf of the Government, were infringing upon his patent; that the Government might deny such claims, that when the patentee had established such claim as against the Government, the Act of 1910 operated to turn the infringement into a rightful appropriation; and that therefore the Act of 1910 was equivalent to the appropriation of a license by the exercise of such power of eminent domain, for which license it provided compensation.

There is no dispute as to the power of the government to exercise its inherent right of eminent domain over intangible patent rights. Congress, by the provisions (Sec. 120) of the present National Defense Act (*U. S. Comp. Stat. 1916*, Vol. 4, Sec. 3115g), has practically provided for the exercise of that right in respect to manufactured munitions of war whether patented or not. But the observations of this Court above referred to were unnecessary to a decision on the sole issue there, viz., whether an officer of the United States engaged in making infringing guns, under Governmental authority and at the Government's arsenals, could be enjoined from such continued manufacture of the same.

CROZIER *v.* KRUPP DECIDED THAT THE ACT OF 1910 PROVIDED A REMEDY AGAINST THE UNITED STATES IN TORT FOR ITS DIRECT INFRINGEMENT, BUT THAT ITS OFFICERS COULD NOT BE ENJOINED FROM CONTINUING SUCH INFRINGEMENT.

Krupp brought a suit in equity in the Supreme Court for the District of Columbia for an injunction restraining William Crozier, Chief of Ordnance of the United States Army, from infringing two patents relating to improvements in guns, and for an accounting of profits and damages. The infringing guns *were being manufactured by the Government at its arsenals.*

It was stipulated that the Government had manufactured the infringing guns and intended to continue their manufacture at such arsenals, and *that no pecuniary benefit accrued to Crozier personally and all claims were waived by the plaintiff for profits and damages.*

So that the only issue or relief sought *was a permanent injunction against the defendant, an officer of the United States Army, restraining him from making the infringing guns at the Government's arsenal.*

A demurrer to the amended bill was sustained by the Supreme Court of the District of Columbia on the ground of lack of jurisdiction, and such bill was dismissed. The Court of Appeals of the District of Columbia reversed and remanded the case for further proceedings. A writ of certiorari was granted by this Court and the Court of Appeals was reversed, this Court stating (p. 302) that it was not called upon to pass upon the correctness of the theory on which the decision of the Court of Appeals rested, or the soundness of the contentions of the parties, because subsequent to the filing of the bill and the decision of the Court of Appeals, the subject of the controversy (*i.e., the continued making of the infringing guns by officers of the United States at its arsenals*) had been dealt with by Congress by the Act of 1910.

After quoting the Act, this Court points out that it was intended for the protection and relief of a patentee whose patent had been infringed *by officers of the United States, while in the performance of their official and public duties, and from which infringement they received no pecuniary benefit*. Mr. Chief Justice White says (p. 303):

“The text of this statute leaves no room to doubt that it was adopted in contemplation of the contingency of the *assertion* by a patentee that rights secured to him by a patent had been *invaded* for the benefit of the United States *by one of its officers*, that is, that such officer *under the conditions stated had infringed a patent*.

“The enactment of the statute, we think, grew out of the operation of the prior statute law concerning the right to *sue the United States for the act of an officer in infringing a patent as interpreted by repeated decisions of this court.*” (Italics ours.)

After referring to the rule that the United States could not be sued in tort for damages or profits, or be restrained from its officers' *unlawful* use of an invention

for the benefit of the Government, the Chief Justice continued (pp. 304-5) :

“Evidently inspired by the injustice of this rule as applied to rights of the character of those embraced by patents, because of the frequent possibility of their infringement by the acts of officers under circumstances which would not justify the implication of a contract, the intention of the statute to create a remedy for this condition is illustrated by the declaration in the title that the statute was enacted ‘to provide additional protection for owners of patents.’” (Italics ours.)

And again, the Chief Justice said (p. 304) :

“That is to say, it adds to the right to sue the United States in the Court of Claims already conferred when contract relations exist the right to sue *even although no element of contract is present.* * * * These results of the statute are the obvious consequences of the power which it confers upon the patentee to seek redress in the Court of Claims for any *injury* which he asserts may have been inflicted upon him by the *unwarranted use of his patented invention and the nature and character of the defences which the statute prescribes may be made by the United States* to such an action when brought. * * *

“This being the substantial result of the statute, it remains only to determine whether its provisions are adequate to sustain and justify giving effect to *its plain and beneficent purpose to furnish additional protection to owners of patents when their rights are infringed by the officers of the Government in the discharge of their public duties.*” (Italics ours.)

The Court finally decided that as the Act of 1910 provided for the recovery of compensation from the United States by a suit in the Court of Claims against the United States for the *unwarranted use* of the invention of the patent, it was a remedial and protective and enlarging statute, and that the Supreme Court of the District of Columbia had no jurisdiction to grant a per-

manent injunction restraining an officer of the United States from the continued manufacture by him of the infringing guns *at the arsenals* of the United States, *to which point the issue in the case was confined*, as every other question had been eliminated by stipulation.

It is apparent that the facts and circumstances in the case at bar and the theory under which the petitioner's bill was dismissed are entirely different from those presented in the *Crozier* case.

However, we will consider the license theory of the act, first commenting upon the term "license" as used in the opinion in *Crozier v. Krupp*.

THE USE OF THE TERM "LICENSE" IN *CROZIER V. KRUPP*.

The expressions in the opinion of the Chief Justice in which the term "License" is used, are the following (p. 305):

" * * * the statute, looking at the substance of things, provides for the appropriation of a license to use the inventions, the appropriation thus made being sanctioned by the means of compensation for which the statute provides."

And (p. 308):

" * * * that is, the acquiring by the Government under the right of eminent domain, as the result of the statute of 1910, of a license to use the patented inventions in question * * * ."

The word "license" is used in these two expressions, we submit, in a somewhat loose and inexact manner. But, in any event, it does not have the meaning which has been assigned to it.

A "license" under a patent is founded on " 'a *convention* between the parties—a coming together of minds,' " *Crozier v. Krupp* (p. 304), quoted from *Russell vs. U. S.*, 182 U. S., 516, 530.

A "license" implies a *contractual* relationship between the patentee and another party.

The word "license" implies a consent by a patentee that the other party may make, use or sell the invention covered by the patent.

No "convention," no "meeting of minds," no such contractual relationship, and no such consent by the patentee was present in *Crozier v. Krupp* or in the case at bar.

A use or taking by the Government under the power of eminent domain does not involve any contractual relationship between the patentee and the Government. It does not require the consent of the patentee to the use or taking of his invention.

Therefore, the use of patented inventions by the Government under a license on the one hand, and the taking of the inventions under a statute by virtue of the power of eminent domain on the other hand, are exactly contrary.

The *Crozier* case did not, we submit, involve a single question of the rights between a licensor and a licensee. What was said with reference to the Government having appropriated to itself a technical license to use the invention was, as we have shown, unnecessary to the decision.

The opinion, we think, merely intended to recognize that the United States, under its power of eminent domain, had a *right* to take or appropriate patent rights, as well as any other form of property, whenever it was necessary for public purposes, and to the extent that it was necessary for public purposes.

The word "license" was undoubtedly not intended to be used in any technical sense, as meaning a *contractual* relationship, but was merely a convenient expression of the "*right*" of the Government to make use of inventions for public purposes.

If the Government is given the right to use an invention it is evident that one of its officers or employees may use it in his official capacity because the Government can

only act through its officers and employees. It by no means follows that an independent manufacturer and contractor with the Government may use the invention for *his own profit*—for certainly respondent would not have offered to contract with the Government if he had not expected personally to profit thereby.

Therefore, if the word "license" was used by this Court, in *Crozier v. Krupp*, in a non-technical sense and synonymously with "right to use," as we submit it was, then the District Court, in the case at bar, misunderstood this Court and, in denying that it had jurisdiction, went further than the Act of 1910 and the decisions of this and other Courts warranted.

THE LICENSE THEORY OF THE ACT UNDER THE RIGHT OF EMINENT DOMAIN IS UNSOUND IN PRINCIPLE AND UNWARRANTED IN FACT AND LAW.

The reading into the Act of 1910 by judicial construction of a compulsory license to independent contractors with, and vendors to, the Government, to make, use or sell the invention of this sustained and valid patent, deprives the patentee, without his consent, of the exclusive rights and privileges imperatively provided for by the Constitution when Congress, acting thereunder, passed the patent statutes.

Congress has no Constitutional power to grant patented rights by first enacting the patent statutes now in force, and which excludes independent contractors with and vendors to the Government, and then after securing a disclosure of an invention on the faith of the Constitutional provision and the present patent act, turn about and pass a retrospective act (such as the Act of 1910 as now construed) which *results* in imposing upon the patent a compulsory license in favor of independent contractors with and vendors to the Government.

It is no answer to say that the provision for compensation in the Act of 1910 is the exercise of the sovereign power to take or impose a compulsory license on patent property of all others than Government employees by the right of eminent domain; for the necessary conditions precedent to the exercise of that right are not specified in the act and do not exist in the case at bar. But if the Government does exercise that right, the Constitution and previous acts of Congress, and the common law provide compensation and proceedings to collect the same from the Government (*e. g.*, The 5th Const. Amdt.; Suit in the Court of Claims, under the Revised Statutes and in the District Courts under the Tucker Act).

In taking real or personal property, other than patents, by the right of eminent domain the Government necessarily *admits* the existence of the property, and the taking. It also admits, or at least does not deny, the owner's title, *nor does it assert as much right thereto, as the party who claims title to the property.*

The exercise of the power of eminent domain by the Government necessarily means that there has been, or will be, an actual taking or appropriation by it of existing private property or rights, in which it asserts, and has; no right, title or interest, and for which it will provide compensation. The only question to be determined in proceedings to recover just compensation under the Fifth Amendment is the ownership of existing property and its value.

No different rule prior to the Act of 1910 was applicable where it was suggested that the Government might exercise the right of eminent domain to take, or had appropriated, patented property. In fact, the law was that if such a right was exercised by the Government *there must be an acknowledgment by the Government of the exclusive rights of the patentee.* It did not take and

at the same time *repudiate* the *existence* of the property, viz., exclusive patented rights; nor of the taking.

Hollister v. Benedict, 113 U. S., 59;

U. S. v. Berdan, 156 U. S., 552, 567;

Brooks v. U. S., 39 C. Cls., 494;

Farnham v. U. S., 49 C. Cls., 19.

In these cases cited above and previously referred to where the patentee had based his claim on an implied promise, the more the United States, through its officers, denied the existence of the exclusive rights of the patentee or the use thereof, the more completely it was relieved from liability to compensate the patentee, and the less chance the patentee had of establishing a case of appropriation on *any theory* from which the law would imply a promise to pay for the use claimed by the patent. In those cases, if there was an actual taking or use by the United States, it was regarded as an infringement, a tort, for which it had not consented to be sued, and, consequently, the patentee was without a remedy of any kind.

Neither the United States nor its officers has recognized or conceded the existence of any of the exclusive rights secured to the plaintiff by the patent in suit. They did not by the Navy specifications (Schedule 8121), or otherwise, acknowledge that the United States had taken or appropriated any portion of such exclusive rights. The action by the United States, through its officers, without the consent of the plaintiff, is an assertion that it was not taking or appropriating any of the plaintiff's patented property. It is an assertion *that it was exercising its own rights and using something which it had as much right to as the plaintiff*. It therefore cannot be logically argued that such action,—*i. e.*, use or contemplated use of the invention of the patent in suit—by the officers of the Government was a taking or appropriation of a license under that patent, by the exercise of

any power of eminent domain provided for by the act of 1910.

If the action of the United States in calling for the approval under the Navy specifications was not the intended use of what was its own, if it has not acknowledged in this case or record, or at least refrained from denying, the exclusive rights of the plaintiff in the invention of the patent in suit, and if it does not admit the taking of any part of those rights, then its use or intended use, or the action of its officers, must be held *in fact* to be a *tortious* use or action, and an infringement, or contributory infringement, of the patent, and an injury to the exclusive rights secured thereby.

In any suit in the Court of Claims under the Act of 1910 the Government may and undoubtedly will deny not only petitioner's ownership of the patent in suit, but the existence or validity of the exclusive rights thereof, and any claim that the Navy specifications called for, or that it has used or is using or caused the use of any part thereof.

In other words, it may repudiate the existence and the taking of the very thing that the respondent *asserts has been taken*, by virtue of the Act, under the right of eminent domain.

This would compel a patentee to establish the existence of his exclusive patented rights and the infringement or taking thereof, in order to secure compensation for the license under the rights now claimed to have existed and to have been previously taken by virtue of the Act. The patentee under this construction is compelled to establish not only ownership of his patent, but its validity and the tortious taking by the United States, and when he has done this, the tort is turned by virtue of the present construction of the Act, into a right and license under the patent in favor of the United States, and anyone who wishes to *pirate* upon the invention for

his own benefit, and even one who may have been enjoined by the Courts from infringing upon the patent.

This position is manifestly inconsistent. It could never have been intended by this Court to be the result of its decision in *Crozier v. Krupp*.

If Congress had intended that the Act of 1910 should operate as a taking of a technical license under the patent in suit by the Government, by virtue of an exercise of the power of eminent domain, with the resultant power of authorizing a contractor with it to commit acts that would otherwise amount to infringement, because it provides for a recovery of compensation by a suit against the United States in the Court of Claims, it would not have permitted the United States to defend on all of the grounds open to an infringer, and particularly so where other courts created by Congress have already determined, as in the case of the patent in suit, that the patent is valid, and have fixed its scope, or may even have held the patent valid and infringed as against the contractor with the United States. At most, Congress would have made available to the United States only the defenses that are open to a licensee when sued for royalties or reasonable compensation for the use of an invention.

Again, if Congress had intended to provide for the exercise of the sovereign power of eminent domain to impose a license upon patents in favor of the Government for public use, it would have done so, not by enacting the Act of 1910, but by an amendment to the patent statutes (*Revised Statutes*, Sections 4884, 4885, 4886) expressing or disclosing the intention to exercise such sovereign rights.

Under those sections of the patent statutes *any* person who has made an invention or discovery and complies with the terms of the statutes secures a grant for

seventeen years "of the exclusive *right to make, use and vend the invention or discovery.*"

But by an amendment to these statutes (Act of March 3, 1883, c. 143; 22 Stat., 625; U. S. Comp. Stat., 1916, Vol. 8, Sec. 9441), Congress has provided that

"The Secretary of the Interior and the Commissioner of Patents are authorized to grant any officer of the Government, except officers and employees of the Patent Office, a patent for any invention of the classes mentioned in section forty eight hundred and eighty six of the Revised Statutes, when such invention is used or to be used in the public service, *without the payment of any fee; Provided, That the applicant in his application shall state that the invention described therein, if patented, may be used by the Government or any of its officers or employees in the prosecution of work for the Government, or by any other person in the United States, without the payment to him of any royalty thereon, which stipulation shall be included in the patent.*" (Italics ours.)

Thus Congress has made provision upon certain terms and conditions for a license or right to use inventions by the Government, but limited this license to cases where the invention had been made *by officers or employees of the Government*, and in cases where they accepted the considerations and advantages of the act.

If Congress had intended to provide for the exercise of the right of eminent domain to take a license to use the inventions of *civilians*, then Congress, instead of passing the Act of 1910, would have amended the Act of March 3, 1883, c. 143, either by providing that *every* inventor should stipulate and agree that the invention might be used by the Government or any of its officers in the prosecution of work for the Government for reasonable compensation to be fixed by the Courts, or by the reservation, upon reasonable compensation to be fixed by the courts, of a license under all patents used by its officers and employees in the prosecution of Gov-

ernment work, or specific kinds of work, by such language as would clearly indicate it was providing for the exercise of the sovereign power of eminent domain in reserving such license.

To construe the Act of 1910 so that in operation it simply provides for compensation for the taking of a license under a patent by the right of eminent domain results in restricting the rights of owners of patents; for in cases of a taking that, prior to the Act, would have been a lawful exercise of the power of eminent domain, the Government may now under the act deny the validity of the patent. Under this construction, the Act does not provide the "additional protection for owners of patents," which was the plain purpose of the Act of 1910. On the contrary, such construction deprives patentees of a part of the protection against the Government that they had prior to the Act and also of *all* protection against infringing contractors with the Government that patentees formerly had.

It is clear that such was not the intention of the Act. Congress has not by the Act of 1910 expressly or by necessary implication, through the Act of 1910, provided for the exercise of the power of eminent domain to take a license under any and all patents which the officers or the agents of the Government, or contractors with it may want to use, contemplate using, or actually make use of, in the absence of an express or implied contract. Such a provision cannot be read into the act by argument and inference. If such had been the intention it would have been very easy to have expressed it. Besides, if such had been the intention, Congress would undoubtedly have stated the character, method, extent, terms, conditions and incidents we have referred to of the exercise of such power and not left its existence to be created by Government specifications calling for the manufacture of all kinds of devices or apparatus. Not having expressed or necessarily implied such intention, and the power of

eminent domain being generally in derogation of common private rights, and in this particular instance, contrary to the settled policy of the Constitution and statutes relating to patents, the Act of 1910 should not, by judicial interpretation, be construed beyond its plain provisions, and into an act providing for the appropriation of a license, in favor of the Government or an infringing contractor with it to make, use or sell the patented invention, under the power of eminent domain.

Nichols on Eminent Domain (1917 Ed.), Vol. 2, pp. 987-988;

Lewis on Eminent Domain (3rd Ed.), Sec. 371;

Western Union v. Penn. Co., 195 U. S., 540, 569;

Ontario Knitting Co. v. State of New York, 205 N. Y. 409, 416;

U. S. v. Raders, 70 Fed. 748.

Furthermore, public and Governmental necessity or the promotion of the common welfare is the foundation of the right of the appropriation of private property by the power of eminent domain. Private property is only subject to such power where such necessity exists, or the public good is promoted.

Nichols on Eminent Domain (1917 Ed.), Vol. 1, pp. 114, 126;

Shoemaker v. U. S., 147 U. S. 282, 298;

Western Union v. Penn. Co., *supra*, p. 567;

In re Manderson, 51 Fed. 501, 503 (C. C. A., 3).

The judicial construction which has been placed upon the Act of 1910 will necessarily result in the exercise of the right of eminent domain for other purposes. The Act makes no distinction between the character of the inventions used by the United States without the consent of the owner of the patent, nor the use to which the inventions are put. Therefore, if it was the purpose of the Act to provide compensation for a license privilege in favor of the Gov-

ernment, by the exercise of the power of eminent domain, the privilege must extend not only to inventions relating to munitions of war, military and naval preparedness and instrumentalities used in other necessary Governmental functions, *but to any unimportant or trifling patented invention which the officers or agents of the United States may consider desirable for Governmental service, though the lack of such patented devices would not in any way result in interference with the Governmental or other functions of its officers or agents.*

If the theory, as advanced by the District Court, that the Act provides for the acquisition of a license by the exercise of the power of eminent domain is sound, Government specifications calling for pens, papers, envelopes, ink wells, etc., is also the appropriation of a license under any patents for those articles by the right of eminent domain, if the seller to or contractor with the Government proposes to supply the article as patented, though no public or *Governmental necessity* demands the use of any of the particular patented devices.

The District Court also carries the license theory so far as to say, that there is no doubt that any patented article acquired under the Act by the power of eminent domain may possibly be sold after condemnation by Governmental authority and would lawfully pass into the hands of any purchaser (R., p. 64). The title acquired by eminent domain ordinarily, is not absolute, but subject to a trust for public use which must be continued. Therefore, even if the Government acquired a license to make and use an invention for public purposes by the power of eminent domain, under the Act, it does not seem that it could lawfully sell those devices to private parties for private use.

Thus the very fact that the District Court has said that the license theory logically leads to giving the Government this power of sale, further shows that such

theory is not consistent with a construction of the Act according to well established legal principles.

Therefore, a reading into the Act of 1910, by judicial construction, of a compulsory license privilege to the United States under an exercise of the right of eminent domain, and the consequent privilege to a private infringer like the respondent, to make, use or sell the invention *for his own benefit* and *incidentally* for that of the Government, is unsound and unwarranted.

It results (1) in rendering the Act inconsistent with its history and in perverting its express purposes; (2) in making it mere surplusage; (3) in depriving a patentee of his previously existing remedies against the infringing independent contractor with or vendor to the United States; (4) in rendering the Act repugnant to the policy of the Constitution and the patent statutes passed in pursuance of the Constitutional provisions; (5) in restricting patented rights and in a conflict with the usual conditions precedent to the lawful exercise of the power of eminent domain; and (6) in giving rise to the evils we have mentioned.

The reasonable and proper interpretation of the Act of 1910, in view of its history, express language and purposes, and the construction which avoids the license theory—compulsory, or by the right of eminent domain—and the consequent conflict, inconsistencies, and evils we have referred to, but still leaves the Government free to use patented articles, procured under contract or otherwise through the power of the Courts to, and the rule of law that they must, adjust their decrees to Governmental necessities, is that by the Act of 1910 the Government has simply consented to be sued in the Court of Claims for reasonable compensation or damages for its *tortious use* or *infringement* of a patentee's exclusive rights, and that no other rights or remedies have been interfered with.

Patent Property and Rights Should be Protected Against Invasion To the Same Extent as Other Property and Rights.

In case of trespass upon real property by the officers of the Government in the line of their official duties, this Court has not held that the trespass was a taking or the acquisition of a license to use, or a use and occupation by the United States under an implied *lease* or *license*, appropriated by the right of eminent domain, but has held that the officers might be liable for damages for *trespass* or might be subject to a judgment of ejectment.

Meigs v. McClung, 9 Cranch 11;

Bates v. Clark, 95 U. S., 204;

United States v. Lee, 106 U. S., 196.

There was and is no reason for holding that the invasion, by the officers of the United States acting in an official capacity, of private real or personal property, is trespass, but that the invasion of a *patentee's* exclusive rights by the same officers, acting in the same capacity, or by an independent contractor with the Government, is an authorized use by the taking of a license under the right of eminent domain, simply because the Act of 1910 provided for the payment of compensation for the invasion.

In fact, where the property in question has been other than patent rights, the courts have even enjoined officers of the United States, of the States, and even municipalities, from unlawfully invading or taking the same. Where such officers or municipalities have threatened the invasion of such property rights "without license of the owner thereof or lawful right," the owners of such property have found Courts of Equity ready to grant an injunction fully protecting them.

Noble v. Union R. Logging R. Co., 147 U. S., 165;

Dobbins v. Los Angeles, 195 U. S., 223;

Philadelphia Co. v. Stimson, 223 U. S., 605, 620;

Lane v. Watts, 234 U. S., 525.

In all of these cases the property in dispute was land or rights appurtenant thereto, and their immediate possession was not a matter of urgent necessity. The particular parcels of land or rights thereon, however, were undoubtedly essential, and could not be replaced by other parcels of land whose owners might be willing to let the municipality take immediate possession. Therefore, the urgency in those cases was stronger in one sense than in the case at bar, because here *the licensees of the plaintiff stood ready to furnish the property which the Government required*, and submitted bids at reasonable prices under the very proposals under which the contract was awarded to the respondent.

Therefore, an injunction against the respondent could not reasonably be construed as an injunction against the Government, as it would not preclude the Government from obtaining what it wants and within the time wanted. It would merely result in the Government's first dealing with the lawful owner of the valid patented property, as in justice and equity it should do.

The respondent here is not the Government nor an officer, agent or employee of the Government, but a third and independent and financially irresponsible party, who had appropriated the invention of the patent in suit for his *own individual gain*. The respondent has admittedly dispossessed the petitioner of its property, to wit, its *exclusive* rights to the patented invention, admittedly valid, and sustained by the courts. The petitioner asked that the respondent be enjoined from the continued dispossession of such exclusive property rights. As to other forms of property, either real estate, rights appurtenant thereto, or tangible personal property, a statement of the case is sufficient to show that the arm of the Court of Equity would not have been stayed merely because the respondent had contracted to supply the Government with the property, of which it had dispossessed the rightful owner.

Should the result be any different because of the form that the property may take? We think not, unless the courts are to take the position that patent property, exclusive in its nature, as provided for by the Constitution, is not entitled to the *same protection* under the law as other forms of property. That certainly has not been the law (see *supra*, pp. 11-13).

**There is No Danger of Interference With the Vital Interests
of the Government.**

Several evils have been suggested if the District Courts are to continue to have the power to enjoin infringing contractors with the United States. These evils are imaginary. Yet, if real, the Act of 1910 does not cure them so far as they may arise out of inventions made by employees while in the Government service, as the act does not apply to such inventions (*Moore v. U. S.*, C. Cls., 1917, not yet reported).

The fear that the vital interests of the Government will be interfered with if infringing contractors with the Government are subjected to the same liability as other private infringers, is unfounded. None of these evils has, in fact, arisen; no contract work of the United States has been interfered with in the past, when patentees had their remedies against independent contractors.

In the case at bar there was no attempt to prevent the Government from acquiring efficient and suitable wireless telegraph apparatus for the needs of the Navy Department.

After the decision of Judge Veeder (213 Fed. 815) upholding the validity of the Marconi patent in suit as one of great merit, the petitioner, in order that the Government might have several sources of acquiring suitable wireless apparatus for its needs, licensed two other concerns under the patent in suit to manufacture and sell wireless apparatus to the Government. These licenses

were *without any restriction as to prices*. The concerns so licensed by the petitioner were the National Electric Signaling Company of Pittsburgh and the National Electric Supply Company of Washington, D. C. (R., pp. 18, 56, 57.)

The record in this case shows that the petitioner, and both of its licensees, have, in the past, manufactured and sold to the Navy Department large quantities of efficient wireless telegraph apparatus. This record also shows that the petitioner and both of its licensees are ready and were ready to supply the Government with efficient wireless apparatus under the patent in suit (R., pp. 18, 55, 56, 57).

Consequently, in the present era of war and of "Preparedness," as at all other times, no attempt has been made by the petitioner to interfere with the Government's securing efficient wireless telegraph apparatus,—quite the contrary: It is common knowledge that the plaintiff has during this period and before the war offered the Government all the facilities of its plants.

Since then the National Defense Act (Act of June 3, 1916, c. 134; 39 Stat. 214) has been passed by Congress. Under Section 120 of this Act (U. S. Comp. Stat., 1916, Vol. 4, §3115g), the Government, through the Secretary of War, now has authority to order all manufacturers of necessary munitions of war to make and deliver such articles to the Government whether patented or not, and whether the manufacturers are licensed or not, where the Secretary fixes a price therefor which is just and reasonable. In the case of a refusal to comply with the order, the Government may take over the manufacturers' plants. Here is an instance of protecting the Government through Congress' providing for the exercise of the inherent power of eminent domain in the case of certain interests vital to the existence and welfare of the Government.

The power of the Chancellor to adjust its decree to public necessity, which power amounts to a definite rule of law, also fully protects the Government in times of peace, war, or preparedness for war.

A Chancellor's decree granting an injunction will always and necessarily take care of the vital interest of the public and the Government, and provide that it may make and use and secure assistance in making and using what is demanded by public needs. It may at the same time take care of the interests of the patentee by requiring the contractor to furnish a bond indemnifying the patentee against loss or damages or securing him the infringer's profit due to the infringer's business with the Government.

In the *Firth* case (which has been discussed above) the Court excepted from the operation of the injunction such transactions with the United States as the manufacture of projectiles under a *specific contract* with the United States on the ground that it would be *against public policy* to interfere with such manufacture (216 Fed., 766).

This was also the view of Judge Ward in the case at bar. In his dissenting opinion (R., p. 82) he says:

"Courts, out of regard for public policy, will no doubt refuse to interfere in proper cases with Government activities by enjoining independent contractors as a matter of discretion * * *."

Hence there is no danger to the vital interests of the United States by preserving to the petitioner its existing remedies against the respondent as an independent contractor who was about to furnish infringing apparatus to the United States.

The patent in suit having been sustained, and its infringement being clear, it only remained for the District Court to determine whether the petitioner was entitled to an injunction and whether the respondent, in view of

the Government's interests, and not in view of the Act of 1910, should be enjoined as to the specific contract to be, or which had already been, entered into.

The *right* to the injunction should have been sustained, notwithstanding the Act of 1910.

The *operation* of the injunction, so far as the Government's interests were concerned, might have been *suspended*, if the facts warranted such suspension.

Petitioner's *right* to relief by enjoining future or subsequent infringements and contracts with the Government, it is submitted, could not be rightfully denied except in case of necessity or of immediate or impending danger to the Government. Even then, we submit, the relief should not have been denied unless the petitioner or its licensees were unable or unwilling or supply the necessary apparatus at a just and reasonable price, and, in any event, unless the petitioner was secured against loss by an indemnity bond from the respondent.

There was, therefore, no necessity for holding that either the United States or the respondent was licensed under the patent in suit or that the respondent was immune from the suit in view of the Act of 1910, in order that there should be no interference with vital or any work for the Government to be done under the specific contract the respondent had entered into or was about to enter into.

The court below could have very properly denied the motion for a preliminary injunction upon the defendant Simon putting up an adequate bond to protect the plaintiff's rights, but the court below should not have dismissed the bill, for by so doing the court held that the plaintiff was not entitled to recover damages and profits, which the defendant Simon, an independent manufacturer, had made from his infringing acts.

We have already pointed out (*supra*, p. 34) that a patentee has an independent right of action to recover

damages and profits against a manufacturer such as Simon, and another independent right of action for damages and profits against a user.

By dismissing the bill, the plaintiff has been deprived of its right to have Simon account for such damages and profits as he has made as an independent manufacturer and vendee.

Proof of a Specific Act of Infringement Other Than That Arising Out of Respondent's Manufacture of the Patented Apparatus and Offer for Sale to the United States Was Unnecessary to Hold the Bill or Support the Application for Injunction.

In considering the respondent's counter application to dismiss, the District Court said (R., p. 64):

"There is no proof (and in the nature of this motion there can be no final proof) that Simon is engaged in no other business than fulfilling this contract with the United States; but plaintiff has asserted in its own affidavits that he (Simon) has often so stated. It is equally true that there is no evidence or suggestion of any other infringement, present or contemplated, except that arising under the Government's contract aforesaid."

The Court granted this counter motion because the petitioner did not elect to plead over or amend its bill and "*allege infringements not arising from Governmental contracts*" (R., pp. 66, 67).

The District Court was in error in stating that the petitioner's affidavits asserted that the respondent often stated that he was engaged in no other business than fulfilling his contract with the United States. The respondent had no contract with the United States when the bill was filed and the motion for injunction made. What the petitioner's affidavits state (R., pp. 20, 21) is that although respondent had *offered infringing apparatus to ordinary commercial users he is devoting*

special attention to offering to sell and selling infringing apparatus to the Government.

It is true that on the motion for injunction in the case at bar there was no proof of a *specific act* of making, using or selling by the respondent other than the manufacture of the infringing sample set submitted to the Government, the subsequent offer for sale to it of similar sets, and the later contract to manufacture and supply the Government with such sets.

However, the act of the respondent in manufacturing the patented apparatus, before he had any contract with the United States and for his own benefit and profit, is a separate tort, independent of any subsequent sale to or later contract with the United States, and was sufficient basis to sustain the bill and for an order for an injunction. The respondent had no assurance when he infringed that he would secure the Government contract. He deliberately took a chance. If he had not secured the contract there would be no doubt of the respondent's liability and petitioner's right to the injunction for manufacturing the sample set.

Certainly the manufacture of infringing apparatus for the respondent's own personal benefit and profit, even though it is for the sole purpose of selling it to the United States, shows a wilful intention to disregard the sustained patent rights of the petitioner. There is also the possibility that the infringing apparatus manufactured and in the possession of the respondent would be used by himself, or that he would continue the infringing manufacture after fulfilling the contract with the United States and sell the infringing apparatus to others than the United States. The respondent certainly is in a position to do these very things and he has not by affidavit or in this record disclaimed any such intention. He nowhere claims that his future intent is to confine his infringing acts to transactions with the United States, while the record contains an allegation

that he offered to supply others with the patented apparatus (R., p. 20). He also stated that if he had time he could take care of orders for "amateur sets" of wireless apparatus (R., p. 33).

The prayer for the injunction in the case at bar looks to the future, and beyond the specific contract which the respondent had entered into with the Government, namely, to subsequent infringements and contracts. It is in this particular that the lower courts also failed to fully apprehend the situation. While the District Court might, as we have seen, for reasons of public policy, and upon such terms as would secure the petitioner against loss by infringement, refuse to restrain some particular infringing act of the respondent, or the fulfilment of his contract with the Government, already or to be entered into, especially where to enjoin might embarrass the Government; yet such question is entirely independent of the broader question of the right of the owner of the patent to be free to apply to enjoin the respondent from entering into that specific contract, at least without respondent's giving security for his profits or any damage or loss to the petitioner, and from any other and future infringements by, and contracts with, the Government for supplying similar infringing apparatus to the Government. The machinery of the Courts of Equity is amply and sufficiently elastic to deal with such a situation either in peace or war times.

Not only was there an actual and wilful infringement by manufacturing the apparatus without an order from or contract with the United States, or any assurance of one, but a threatened infringement. Such manufacture, the possibility of the continuance of it, the fact that the apparatus might be sold to others than the United States, or that the respondent might use the apparatus, was sufficient to justify an order for the injunction.

Goshen Mfg. Co. v. Myers Mfg. Co., 242 U. S., 202, 207;

Vicksburg v. Vicksburg, 185 U. S., 65, 82 (not a patent case);

National Meter Co. v. Thompson, 106 Fed., 531, 541;

Historical Pub. Co. v. Jones Bros. Pub. Co., 231 Fed., 638, 644 (C. C. A., 3).

It is, therefore, submitted that the lower Court should have ordered the injunction to issue, as in *Firth Co. v. Bethlehem Co.*, 216 Fed., 756, leaving the question of modifying or suspending its operation as to transactions with the United States, under the specific contract made with it by the respondent, subsequent to the filing of the bill and the motion for injunction, upon the giving of a proper bond.

In any event the District Court had no power to dismiss the bill for lack of jurisdiction on the failure of the petitioner to amend the general allegations of the bill as to respondent's infringement, as ordered; for the petitioner had the right, under its bill, and might have at the trial, offered proof of an act, or threatened act, by the respondent which constitutes an infringement, and a reason for granting a permanent injunction, apart from any assistance he may render the United States in its infringement.

Conclusion.

It is respectfully submitted that the decrees of the lower Courts should be reversed, with costs in all Courts.

December, 1917.

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BRIEF FOR RESPONDENT

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Supreme Court of the United States

OCTOBER TERM, 1917.

No. 168.

MARCONI WIRELESS TELEGRAPH COMPANY OF
AMERICA,
Plaintiff-Petitioner,

vs.

EMIL J. SIMON,
Defendant-Respondent.

BRIEF FOR RESPONDENT.

Statement of the Case.

This case comes before the Court upon writ of certiorari to the United States Circuit Court of Appeals for the Second Circuit, granted on application of the Marconi Company, the plaintiff-appellant below.

Suit was originally brought in the United States District Court for the Southern District of New

York. The bill, filed September 24, 1915, is in the usual form and charges Simon, the respondent here, with infringement and contributory infringement, in making, selling and using wireless telegraph apparatus, alleged to be within certain of the claims of the patent sued on, and prays for an injunction and an accounting.

On filing the bill, the Marconi Company moved for a preliminary injunction. No affidavits were filed in opposition to this motion, but Simon, the defendant below, made a counter-motion to deny plaintiff's motion for injunction and to dismiss the bill; setting up (a) that he, Simon, was then a resident of the Eastern District of New York, and (b) that his acts complained of, were lawful acts in assisting the Government, a licensee under the patent sued on. Affidavits opposing Simon's counter-motion were filed by the Marconi Company, and both motions came on for hearing and were argued by counsel for the parties to the action.

For the purposes of the motion, respondent admitted all facts well pleaded, as he was required to do under the rules and practice of the Court.

In ruling on the motions, his Honor Judge Hough, after stating the facts and the law, held as follows:

"No injunction will issue. The motion to dismiss is granted, unless plaintiff elects in twenty days to plead over, and allege infringements not arising from governmental contracts. If such election is made, defendant to answer in twenty days after amended bill filed" (Rec., p. 66, fol. 106).

The Marconi Company elected not to plead over, and on its waiver of leave granted to do so, a final decree was entered November 24, 1915, from which

appeal was taken by the Marconi Company to the United States Circuit Court of Appeals, which Court, by a majority decision, affirmed the opinion of the lower Court (Rec., pp. 67, 80; 227 Fed. Rep., 906, and 231 Fed. Rep., 1021), and a short dissenting opinion was handed down by his Honor Judge Ward (Rec., pp. 81-82).

Before stating the facts, we will say for the information of the Court, that the apparatus involved in the present case is what is known as a wireless telegraph transmitting set.

In practice, it is customary to employ two sets of apparatus, one known as the transmitting set, for sending messages or signals, and the other (usually located at a distant point) known as the receiving set, for receiving the messages or signals sent out from the transmitting station.

The present case has nothing whatever to do with the receiving set, and we shall therefore be called upon only to consider the transmitting set.

As respondent, as before stated, for purposes of his motion in the Court below, admitted all facts well pleaded, there will be no occasion for the Court here to inquire into the construction and operation of the apparatus, except so far as may be necessary to understandingly confirm admissions by petitioner that the transmitting set involved in this case was incomplete, in that it lacked certain essential elements, specified in the claims in issue, and necessary for rendering the set operative for its intended purpose of transmitting wireless messages or signals.

The facts admitted and established by the evidence of record are as follows:

In the early spring of 1915, the Navy Department, following well-known governmental practice, advertised for bids from prospective contractors,

by publishing Navy Schedule No. 8121 (appearing in the record at pp. 24-31, fols. 35-41), containing specifications for certain parts of 25½ k.w. wireless telegraph transmitting sets for submarines and other light craft, and required each bidder, in order to be considered in the competition, to furnish, prior to or on the date set for opening the bids, a complete sample set of apparatus as offered in the bid, for inspection and test at the Radio Laboratory, Navy Yard, Brooklyn, N. Y. (Rec., p. 30, par. 18; see also affidavit of Mr. Bottomley, vice-president of the Marconi Co., Rec., pp. 54-55, fol. 85, and affidavit of Mr. Kintner, one of the receivers and general manager of petitioner's licensee, the National Electric Signaling Co., Rec., p. 56, fol. 86).

Thereafter and in or about April, 1915, Simon began work at the manufacturing plant of the Metropolitan Electric Mfg. Co., at Long Island City, N. Y., on the design of a wireless transmitting set to conform to the specifications of the United States Navy Department, contained in Navy Schedule No. 8121, above referred to (Rec., p. 51, fol. 80).

On or about the 20th day of April, 1915, an order was given by Simon to the Metropolitan Electric Mfg. Co., for the construction and delivery at the Brooklyn Navy Yard of a sample set to be built in accordance with the design he had developed.

The Metropolitan Company thereupon immediately proceeded to execute the order, the work continuing from day to day until the set was completed (Rec., p. 51, fol. 80).

On the day of delivery of the set at the Brooklyn Yard (June 21, 1915; see duplicate of invoice, Exhibit "A," Rec., p. 53), the truck carrying the set was first sent by Simon to the Manhattan Electrical Supply Co., in the Borough of Manhattan,

for the substitution of other condenser units, but it was found that the desired condensers were not in stock, and the set was then delivered for inspection and test to the Brooklyn Yard, without such substitution of condensers having been made (Rec., pp. 51-52, fol. 80).

The sample set referred to above, along with the sample sets of the other competing bidders, was thereafter examined and tested at the Brooklyn Navy Yard by Government employees, under the direction of a Naval Officer, to determine whether or not it fully complied with the Navy specifications, and an official report was made to the Navy Department, Washington, D. C., on the several sets submitted (Rec., p. 52, fol. 81).

The Bureau of Steam Engineering of the Navy Department, after considering the report of the Brooklyn Yard, recommended that Simon be awarded the contract to furnish the Navy Department twenty-five sets of apparatus similar to the sample he submitted.

The letter from the Acting Secretary of the Navy Department (Rec., pp. 60-61) states:

"The award of the twenty-five $\frac{1}{2}$ k.w. radio transmitting sets under schedule 8121 was made to Mr. E. J. Simon for the reason that the sample set submitted by Mr. Simon was the only set which could be said to have been practically satisfactory within the specifications."

Simon was not the lowest bidder, as contended by petitioner, but he was, in the opinion of the naval authorities, the best bidder, in that the apparatus devised or "laid out" by him was, in compactness, strength, adjustment and other purely

mechanical attributes, the best offered (Opinion below, see Rec., p. 63, fol. 101).

The sample sets submitted by the National Electric Signaling Co. and the National Electrical Supply Co., both licensees of the Marconi Company, were rejected and, as stated by the Acting Secretary of the Navy in the letter above referred to, this action was "*without question due to both failure to stand up under test and failure to comply with specifications*" (Rec., p. 60, fols. 96-97).

It is interesting to note here that, in direct contradiction of the statement of the Acting Secretary of the Navy above quoted, the following appears in petitioner's brief at page 7:

"It also appeared from petitioner's affidavits * * * that the bids and sample sets of the licensees of the petitioner complied in all respects with all of the requirements of the Navy specifications, as to efficiency, time of delivery, etc."

On the day the bill of complaint herein was filed, to wit, the 24th day of September, 1915, *the award of the contract between Simon and the United States had been officially made*, but the contract itself had not been formally entered into, and was not executed by Simon until the 9th day of October, 1915, after which it was executed on behalf of the United States (Rec., p. 52, fol. 81).

So far as appears from the evidence of record, the making of the sample set is the act of infringement alleged, and the fulfillment of the contract, by multiplying similar apparatus up to the limit of the contract, is what was sought to be prevented by preliminary and final injunction.

In conclusion, it may be stated that since suit was brought, Simon has delivered the apparatus called for by the contract and it has been installed and is now in use on war vessels of the United States Navy.

The Issue.

The only question this case brings up for consideration is one that, in our opinion, which is supported by the decisions of the Courts below, has been fully, finally and conclusively answered by this Court in *Crozier v. Krupp* (224 U. S., 290-306).

The point at issue is whether, under the provisions of the Act of June, 1910, the adoption and use by the United States of a patented invention, without the consent of the owner of the patent, is a licensed transaction or an infringing transaction.

ARGUMENT.

The Sample Set—The Alleged Infringing Apparatus.

As far as appears from the evidence before the Court, the petitioner relies wholly and entirely upon and has limited its proofs to the manufacture by the respondent and subsequent delivery to the Government, of a sample set of certain parts of a wireless transmitting apparatus, as a basis for and to establish the charge of alleged infringement.

The proofs are in the form of affidavits filed by the petitioner; a number in support of its motion

for preliminary injunction, and others in opposition to the respondent's counter-motion to dismiss the bill, and all are directed to the single transaction involving the making and delivery by Simon of the sample set to the Government.

The absence of proof as to the manufacture and delivery by the respondent to the Government of additional sets of similar apparatus, is accounted for by the fact that when the bill was filed (September 24, 1915), the contract with the Government covering such additional sets had not been formally entered into, as above stated, and the sample set was, at that time, the only tangible thing available to the petitioner on which to base the present suit. This is admitted by the petitioner in its brief at pages 3 and 4, in paragraphs numbered 2 and 3.

**The Sample Set Was Designed and Manufactured
Under the Authority and at the Request of
the Navy Department.**

On this point attention is first called to the specific requirement in Navy Schedule No. 8121 (Rec., p. 30, par. 18), as follows:

"Only those bidders will be considered who, prior to the time fixed for opening the bids, shall have delivered one complete sample set of apparatus as offered in bid on this schedule for inspection and test at the Radio Laboratory, Navy Yard, Brooklyn, N. Y."

We have also, in addition to the requirement above, the statement to the same effect by the Acting Secretary of Navy (Rec., p. 60, fol. 96), as follows:

"Each bidder was required to submit a sample set, complete with his bid."

Further, plaintiff's vice-president, Mr. Bottomley, not only admits that Simon was *required* by the Navy Department to build and submit the sample set, but goes further and states that *it was the practice* of the Department to require contractors to submit sample sets either before or with their bids.

He says (Rec., pp. 54-55, fol. 85) that under

"The *practice* of the Navy Department in asking for bids such as that of Schedule 8121 * * * *contractors are required* to submit, either before or with their bid, a sample set." (Italics mine.)

Attention is also called to a like admission by Mr. Kintner, one of the receivers of the petitioner's licensees, the National Electric Signaling Co., as follows (Rec., p. 56, fol. 88) :

"Last spring the Bureau of Supplies and Accounts of the Navy Department issued proposals * * * known as Schedule No. 8121, *soliciting* bids * * * for 25 * * * transmitting sets of wireless telegraph apparatus, and *requiring* a sample set * * * to be submitted before or with his bid." (Italics mine.)

Notwithstanding these admissions, we find (see plaintiff's brief, paragraphs 2 and 3, pp. 3-4) plaintiff attempting to show that Simon manufactured the sample set prior to the time the Navy advertised for bids.

In an affidavit which accompanied Simon's motion below to dismiss (Rec., p. 51, fol. 80), he states that about April, 1915, he began work on "the design of a wireless transmitting set to *conform with specifications of the United States Navy*

Department, contained in schedule known as No 8121." (Italics mine.)

And there is also correspondence of record in this case, dated in May, 1915, between Simon and the Navy Department (Rec., p. 32, fols. 42-43), in which Navy Schedule No. 8121 is mentioned and reference is made to the sample set, then in course of construction.

In the absence of proof to the contrary, and plaintiff has offered no such proof, the Court will, it is believed, accept the showing above, as quite sufficient to establish the fact that Simon did not begin work on the design of the sample set until after publication by the Navy of Schedule No. 8121.

**Respondent's Sample Set Was Manufactured from
and in Accordance with the Specifications
Contained in Navy Schedule No. 8121.**

No difficulty is anticipated in proving to the satisfaction of the Court that the respondent Simon, as well as all other competing bidders, relied wholly and entirely upon the data contained in the published Navy Schedule No. 8121 for their information and guidance in determining, first of all, what the Government wanted in the way of wireless telegraph apparatus, and secondly and thereafter, in building the required sample set in accordance with the knowledge and understanding thus gained.

This is nowhere denied in the record, nor is there any denial in the record that the Navy specifications, forming part of Navy Schedule No. 8121, in accordance with which specifications Simon's sample set was built, were prepared in and by the

Navy Department and without the assistance, co-operation or knowledge of the respondent.

Mr. Kintner, general manager and one of the receivers of petitioner's licensee, the National Electrical Supply Company, states in his affidavit (Rec., p. 56, fol. 88) :

"The bidders simply *were required* to supply the transmitting sets consisting of certain parts and apparatus of their own design and get-up, *keeping within the limits of what was required by the specification of Schedule No. 8121.*" (Italics mine.)

Petitioner's expert, Mr. Waterman, admits that the construction and intended mode of operation of Simon's sample set was that called for by the Navy specifications. Mr. Waterman says (Rec., p. 46, fol. 70) :

"The construction and intended mode of operation of the sample set" (Simon's) "as described in Mr. Sarnoff's affidavit, and shown in the drawings annexed thereto, *is substantially that called for by the*" (Navy) "*specification No. 8121.*" (Italics mine.)

In the face of the above and other admissions of petitioner's affiants, to which we shall presently call attention, we find plaintiff strenuously contending and endeavoring to persuade this Court (see plaintiff's brief, pp. 3-7) that the alleged infringement was the direct outgrowth of respondent's design and that, therefore, he alone is chargeable; which contention completely ignores facts admitted by the plaintiff, as we shall show that the Government not only took the initiative in arranging for the production of the apparatus, but continued active thereafter, by directing and approv-

ing the manufacture and subsequently added parts necessary to complete the same and bring it within the claims of the patent in suit, if it is within the claims.

In further support of the position we take on the point discussed above, attention is again called to the statement in the letter from the Acting Secretary of the Navy as follows (Rec., p. 60, fol. 96) :

"The award * * * was made to Mr. E. J. Simon for the reason that the sample set submitted by Mr. Simon *was the only set* which could be said to have been practically within the" (Navy) "specifications." (Italics mine.)

The petitioner takes the position in its brief (p. 6) that the above showing that respondent's apparatus was the only one that practically complied with the Navy specifications was an afterthought.

The answer to this is that, in view of certain misleading statements made in petitioner's brief (p. 7) and by petitioner's affiants (Kintner and Townsend, Rec., pp. 56-57, fols. 88-91), in rebuttal on respondent's counter-motion to dismiss the bill, to the effect that the sample sets submitted by petitioner's licensees fully complied with all the Navy specifications as to efficiency, etc., respondent requested the Secretary of the Navy to state the facts to the Court, and the letter written by the Acting Secretary (Rec., pp. 60-61, fols. 96-97) showed :

First—That the sample sets submitted by petitioner's licensees (National Electric Signaling Co. and National Electrical Supply Co.) were rejected without question due both to failure to stand up under test and failure to comply with specifications.

Second—As stated above, that the contract was awarded to Simon because the sample set he submitted was the only set which could be said to have been practically satisfactory within the specifications; and

Third—That Simon was not the lowest bidder.

Use of the Patent Necessarily Involved in Complying With Navy Specifications.

The Court will also note that in addition to the above admissions that bidders were required to keep within the limits of the Navy specifications, etc., etc., petitioner further asserts that contributory infringement was necessarily involved in complying with the specifications.

Petitioner's expert Mr. Waterman says (Rec., p. 45, fol. 69) :

"There is no doubt in my mind that this specification" (Navy specification, Schedule 8121) "could not be substantially complied with by the defendant Simon except by offering to supply and supplying the vital and material parts of the invention of claims 1, 3, 6, 8, 11 and 12 of the patent in suit, with the intention that such parts were to be combined with the antenna and ground or earth connections indicated in the patent." (Italics mine.)

To the same effect, attention is called to a statement in an affidavit of Mr. Townsend, vice-president of the National Electrical Supply Company, one of petitioner's licensees (Rec., p. 57, fol. 90), as follows:

"On Schedule No. 8121 S. E. the Navy Department of the United States called for proposals to supply 25 one-half k.w. radio transmitting sets, the bids to be opened on June 22nd, 1915, and the apparatus called for in the specifications required by the Navy Department to accompany any bids *necessarily, in our judgment*, called for the utilization of the Marconi patent No. 763,772." (*Italics mine.*)

In *Brooks v. United States*, 39 Ct. Cls., 494, a contract with the Government for the building of certain vessels contained provisions which (as in the case at bar) could not be carried out unless the contractor, in constructing the vessels, used a certain patented method. In ruling on that case, the Court of Claims held that use of the patented method by the contractor in the construction of the vessels was a taking by the Government, which rendered the Government liable under an implied license. Speaking through Mr. Justice Peele, the Court said:

"The first question, therefore, is, What is a taking within the meaning of that clause of the Constitution? We think it may be regarded as settled law that where an officer of the Government, having authority to act, takes or appropriates to public use property, admitting it to be private property, an implied contract will arise to make compensation. * * *

* * * * *

But when the Government, by its proper officer, having authority to use and appropriate a patented invention, the ownership of which it concedes in the patentee, obligates a contractor, in express terms, to use such invention, it is bound to know that such contract cannot be executed without

the use and consequent taking of such invention; and having been so taken, the Government cannot successfully defend on the ground that the use by the contractor was an infringement for which no liability attaches to the Government, for the reason that the taking was by direction of the Government with the consent of the owner of the patent.

* * * * *

It would seem that when the United States required the contractor to use the claimant's invention, nothing was left to consummate the taking but the execution on the part of the contractor of the operative or mechanical act of its use. It is in analogy as if the Government had employed the contractor to carry out its predetermined purpose in the use of the particular method of caulking and thereby mediately, instead of immediately, reached the result.

The taking was not of a thing having physical existence, like lands or cattle, but was of an 'exclusive right' secured to the claimant by the Constitution (Art. I, Sec. 8), which gives such right the character of property. And the laws which have been passed to give effect to that purpose have been construed, as Chief Justice Marshall said they ought to be, 'in the spirit in which they were made.' (*Grant v. Raymond*, 6 Pet., 218-242.)"

Failure of Proof of Direct Infringement by Defendant.

There is an admitted failure of proof of direct infringement, as we shall now show. As before stated, the Navy specifications did not call for complete radio transmitting sets, but only for certain parts of such sets, so that Simon was not required

and therefore did not incorporate in or include with the sample set furnished the Navy Department, certain elements which were essential, first, to complete the set and make it operative for wireless transmission or any other useful purpose, and second, to fully answer the several claims sued on, each of which specifically includes the elements referred to.

It would unnecessarily lengthen this brief to state the parts which make up the sample set, as manufactured and delivered by Simon to the Navy Department, and it would serve no useful purpose here to do so, particularly as the parts supplied are those indicated in the Navy specifications (Rec., pp. 25-31, fols. 36-41).

It will be sufficient for present purposes to point out parts *not* supplied by Simon, with particular reference to the claims in issue of the patent in suit.

Each of these claims calls, in substance, for an *antenna*, as well as circuit connections. These elements, *which were not supplied by Simon*, are referred to in the several claims as follows:

Claim 1, "an open circuit electrically connected," etc.

Claim 3, "an open circuit electrically connected with," etc.

Claims 6 and 8, "an open circuit including a radiating conductor at one end and capacity at the other end."

Claims 11 and 12, "an aerial conductor connected," etc.

Petitioner's expert, Mr. Waterman, admits that without the antenna and connections, Simon's sample set, to use Mr. Waterman's expression, "would

be practically inoperative and useless for all the purposes intended" (Rec., p. 43, fol. 66).

He further admits that Simon did not supply these elements, by stating that the set Simon manufactured and delivered was furnished "*with the intention*" that it was "*to be combined with the antenna and ground or earth connections indicated in the patent*" (Rec., p. 45, fol. 69; see also Rec., p. 48, fol. 75).

That is to say, according to Mr. Waterman's testimony, Simon furnished the Navy Department certain parts of the apparatus, with the knowledge and intention that such parts were to be combined and used by the Navy with additional parts, obtained by the Navy from some other source, and that such additional parts were necessary to make the set operative for wireless transmission.

Admittedly, the apparatus Simon supplied to the Navy does not in itself infringe the patent in suit *because it lacks these essential elements of the claims in issue*. Therefore, Simon's position before this Court, taking the most favorable view for the petitioner, is not that of an alleged direct infringer, but rather an alleged indirect or contributory infringer, as will be plainly evident.

Contributory Infringement.

Manifestly, there can be no argument of infringement based upon the manufacture of the apparatus which Simon supplied to the Navy Department—with nothing more. Therefore, petitioner is driven into the position that the Navy Department, in installing Simon's apparatus, adds certain things to it, which result in producing a system embodying

the alleged invention of the Marconi claims in issue and which, therefore, infringes these claims.

There is no better or clearer definition of contributory infringement than that stated by Judge Shepley in *Saxe v. Hammond*, 1 Banning and Arden, page 629, as follows:

"Different parties may all infringe by respectively making or selling, each of them, one of the elements of the patented combination, provided those separate elements are made for the purpose and with the intent of their being combined by a PARTY HAVING NO RIGHT TO COMBINE THEM. But the mere manufacture of a separate element of a patented combination, unless such manufacture be proved to have been conducted for the purpose and with the intent of *aiding infringement*, is not in and of itself, infringement." (Caps mine.)

The rule here laid down has been quoted and referred to with approval in many cases, including that of *Heaton Co. v. Eureka Co.*, 77 Fed. Rep., 288; *Thomson-Houston Co. v. Ohio Brass Works*, 80 Fed. Rep., 712, and *Bullock Co. v. Westinghouse Co.*, 129 Fed. Rep., 110.

In the *Thomson-Houston* case, Judge Taft, delivering the opinion of the Court, said (80 Fed. Rep., 721):

"An INFRINGEMENT of a patent is a TORT analogous to trespass or trespass on the case. From the earliest times, all who take part in a TRESPASS whether by actual participation therein, or by aiding and abetting it, have been held to be jointly and severally liable for the injury inflicted. There must be some concert of action between him who

does the injury and him who is charged with AIDING AND ABETTING, before the latter can be held liable. When that is present, however, the joint liability of both the principal and accomplice has been invariably enforced." (Caps mine.)

In the *Bullock* case, above referred to, the Court said (129 Fed. Rep., 111):

"The intent and purpose that the element made and sold shall be used in a way that shall INFRINGE the combination in which it is an element constitutes the necessary concert of action between him who furnished the single part and him who actually does the injury by the assembling and using of all the parts IN SUCH A WAY AS TO BE INFRINGEMENT." (Caps mine.)

It is unnecessary to quote further from these or other cases, it being quite clear that there can be no contributory infringement without a principal and an accomplice in wrongdoing, in other words, an accomplice who furnishes certain parts, and a principal who furnishes other parts and not only completes the combination, but in doing so commits an unlawful act, that is to say, infringes the patent.

Therefore, in order to sustain the petitioner's contention as to contributory infringement, this Court must view the Federal Government and this respondent as conspiring together, or acting in concert, the former as principal and the latter as an accomplice, to commit an unlawful act, namely, infringement of the Marconi patent here in suit. Such a view is not possible under the Act of June 25, 1910, and the decisions in *Crozier v. Krupp*, *supra*, and *International Co. v. Cramp & Sons* (211 Fed., 124-152). Therefore, respondent cannot be

viewed as an infringer, *contributory or otherwise*. If he were so viewed, it would necessarily follow that this Court would have to view the Federal Government as an infringer, as guilty of committing unlawful acts, and as the principal in a conspiracy in wrongdoing, with the respondent as an accomplice; in other words, it would have to hold that *the Federal Government has no right of eminent domain as to patented inventions*.

But under the Act of 1910, as interpreted by this Court in *Crozier v. Krupp*, it is clear that the Federal Government had a lawful right to make and use patented inventions, subject to the obligation to make *just compensation* to the patent owner for the property so taken.

A case which is helpful on the question of contributory infringement, on the facts as they exist here, is that of *Bullock Co. v. Westinghouse Co.*, 129 Fed. Rep., 105, previously referred to. There the plaintiff contended that the defendant was guilty of contributory infringement in that it sold a certain kind of motor, constituting the gist of the invention of certain Tesla patents involved in that suit. The facts as to such sale were that the motors were actually sold, but for use in Canada. It was argued, however, that as the motors, when used in Canada, were so used with the other elements (added in Canada) of the claims of the Tesla patent, the defendant was guilty of contributory infringement.

The lower Court took this view, but the Appellate Court overruled it on the ground that there could be no contributory infringement unless the motors were to be unlawfully used, and that as they were not to be used with the other elements of the Tesla patent claims, except in Canada, there was no unlawful use, but, on the contrary, a lawful

use, the Canadian purchaser having a lawful right, so far as the Tesla American patents are concerned, to so use the motors in Canada, which, of course, was beyond the monopoly of the Tesla American patents.

The Court said :

“But did the defendants infringe either of the combination claims, or disobey the injunction of the court, by making and sending to Canada a single element of those claims with the intention and for the purpose of being there used in one or other of the combinations of the patent? The monopoly of the patents did not extend to Canada. The patented devices were open to be there made or sold or used, because the monopoly of the patent is limited to the United States and its territories. Unless, therefore, the making and selling of a single element of a patented device, within the limits of the United States, with the intention that it shall be sent without the United States, and there used in association with the other elements of the combination, constitutes infringement, the defendants did not disobey the order of the court. But unless the making and sale of the single element WAS WITH THE INTENTION AND PURPOSE OF AIDING AND ABETTING ANOTHER TO INFRINGE, there would be no contributory infringement under the well-settled law upon that subject. * * *

The finding that the intent and purpose in making and selling this motor was that it should be used in the patented devices in Canada is a finding against any infringing purpose. It would not be an infringement to put the motor to the use intended, because that use was beyond the protection of the patent. THE DEFENSE IS AS COMPLETE AS IF THE INTENT HAD BEEN TO FURNISH THE MOTOR TO ONE HAVING A LICENSE TO MAKE, SELL AND

USE. In neither case would there be an intent to assist in an infringement, and without such intent, the plaintiff-in-error was not infringing the patents or disobeying the order of the court. What we have said applies as well to the method patent as to the combination claims. THERE MUST BE SHOWN AN INTENT TO ASSIST ANOTHER IN AN INFRINGING USE OF THE PATENTED METHOD. There being no intent to provide means by which another might unlawfully use the Tesla method, there is no contributory infringement." (Caps mine.)

Here, too, the respondent's apparatus is furnished "to one having a license to make * * * and use" the same, namely, the Federal Government, which has such a license under the Act of June 25, 1910.

And attention is called particularly to the statement in the opinion just quoted, that in order to establish contributory infringement, "there must be shown an intent to assist another in an INFRINGING use of the patented methods." Use by the Federal Government cannot be considered as an infringing use under the Act of June 25, 1910, in view of the ruling of this Court in *Crozier v. Krupp* that:

"the statute, looking at the substance of things, provides for the appropriation of a license to use the inventions, the appropriation thus made being sanctioned by the means of compensation for which the statute provides."


Whatever may have been the character or quality of the act of the Government officer with whom Simon negotiated, the completion and use by the Government of the apparatus in question was clearly an adoption by the United States of the act of

the officers when and as committed, and caused such act to become, in virtue of the statute, a rightful appropriation by the Government, for which compensation is provided.

It is perfectly clear, therefore, that the respondent has not been guilty of contributory infringement; further, that he cannot be viewed and dealt with as a contributory infringer; and finally, that there is no cause of action and no ground either for the issuance of an injunction or an order for an accounting.

The mere fact that general injunctions have heretofore been granted in certain suits (Petitioner's Brief, p. 3) brought by the petitioner against manufacturers of wireless telegraph apparatus--and that the Courts have excepted from such injunctions transactions with the Federal Government, upon the giving of a bond by the defendants in such actions--does not aid petitioner in the present suit, for the following reasons:

The character of the alleged infringements in each of these cases is not stated in the petitioner's papers. According to our information, however, each of the defendants was engaged in the business of *manufacturing and selling* wireless telegraph apparatus *commercially*, its transactions with the Federal Government being mere incidents of such business. In the present case, however, there is no evidence that respondent is or ever has been engaged in this business commercially. There are unsupported statements and allegations to that effect by petitioner, but they are not evidence. The fact is, that everything he has done in the way of manufacturing wireless telegraph apparatus, was done as a contractor for the Navy Department, to which he supplied such apparatus.



It may be added that it does not appear that the defendants, in the several cases in which the patent in suit was involved, called the attention of the Court to the Act of June 25, 1910, as interpreted and construed by this Court in *Crozier v. Krupp* and later followed in the case of *International Co. v. Cramp & Sons Co.* (211 Fed. Rep., 124-153), to which further reference will be made herein. The only point raised by the defendants in the cases referred to in reference to the exception in the injunction of transactions with the Government, was directed to the amount of the bond the defendants were required to furnish.

When, however, the Act of June, 1910, and the *Krupp* and *Cramp* cases were brought to the notice of his Honor, Judge Veeder, in the later case of the petitioner here, the *Marconi Co. v. Lowenstein*, in the United States District Court for the Eastern District of New York, the motion of the Marconi Company was denied both as to the injunction and bond.

Judge Veeder, on the motion of the complainant the Marconi Company, for preliminary injunction, ruled as follows:

"I am persuaded that the necessary effect of the Act of June 25, 1910, is to preclude the issue of any injunction to restrain the defendant from dealing with the Government. The further question whether the defendant is nevertheless liable to the complainant for an accounting is not involved in this motion, and may be reserved for the final hearing. Motion denied.

VAN VECHTEN VEEDER,
U. S. J.

Memorandum
Oct. 1, 1914."

Following *Marconi Co. v. Lowenstein*, just referred to, came the present case, in which the question of the liability of the defendant to the complainant for an accounting was directly in issue, and, after carefully considering this point, the lower Court dismissed the suit on the authority of the decision of this Court in *Crozier v. Krupp*, holding the use of a patented invention by the Government, without the consent of the owner, to be a lawful use, under its power of eminent domain.

Taking Under Eminent Domain Makes the United States the Real Defendant.

The facts admitted and established by the evidence conclusively show that the real defendant here is the United States.

It was the Navy Department that decided upon and elected to use the apparatus the petitioner contends is within the patent in suit.

It was the Navy Department that advertised and solicited bids for the apparatus and required each bidder to make and submit a sample set.

It was the Navy Department that designated and authorized the respondent, Simon, along with several others, to furnish certain parts of a wireless transmitting apparatus for examination and test, which parts are herein termed a sample set.

It was the Navy Department that added the essential elements necessary to make the incomplete and inoperative apparatus Simon furnished complete and operative for wireless transmission; and

It was the Navy Department's completion and use of the apparatus that brought it within the claims of the patent in suit, if it is within the claims.

From these facts, it would appear that the Government was the instigator of the alleged infringe-

ment; further, that the Government arranged for and supervised the development of the alleged infringing apparatus; and finally, that it was the Government that committed acts necessary to the completion of the apparatus; the respondent Simon being employed by the Government at an intermediate stage only, to do certain specified things in assisting the Government in partially carrying out its preconceived plans.

The Navy Department committed itself and assumed full responsibility for its selection of apparatus, when it advertised Navy Schedule No. 8121, and solicited bids for the apparatus called for by the specifications contained in the schedule.

Under the circumstances, the Marconi Company has plainly mistaken its remedy, as the action should clearly have been brought against the Government in the Court of Claims. In fact, the Marconi Company has recently brought such a suit, basing it, in part at least, on the same patent and apparatus involved in this case.

"The statute endows any owner of a patent with the right to establish contradictorily with the United States the truth of his belief that his rights have been in whole or in part appropriated by an officer of the United States." (*Crozier v. Krupp, supra.*)

Petitioner raises the point that the Government cannot become a licensee under the Act of 1910, though this Court says it can and does, for the reason that under the provisions of the Act all defenses are open to the Government, when sued in the Court of Claims, and a licensee is estopped to deny the validity of a patent under which it is licensed.

Differing from the view expressed by petitioner, this Court, in *Crozier v. Krupp*, after ruling that the statute provides for the appropriation by the United States of a license, refers with approval to the "nature and character of the defenses which the statute prescribes may be made by the United States to such an action when brought."

This Court also held in *Crozier v. Krupp*, in effect, that the Act of 1910 constitutes an express license agreement between the United States and owners of valid patents used by the Government under the terms of which agreement the consent of the owners to such use is implied in law, in consideration for which the Government on its part binds itself to pay them just compensation.

It is evident from the provisions of the Act, as interpreted and construed in *Crozier v. Krupp*, that Congress in framing it distinguished between use by an individual of a patented invention without the consent of the owner being first obtained, and a similar use by the Government, otherwise there would have been no reason for incorporating in the Act the special provision under which the United States may avail itself of any and all defenses, general and special, which might be pleaded by a defendant in an action for infringement.

It is a familiar and well-established rule of law that in an action on an express contract the defendant licensee is estopped to deny title, validity of the patent, etc., and it would, therefore, seem to follow that without the special provision, above referred to, in the Act of 1910, the Government would likewise be similarly estopped from interposing such defenses in suits brought under the Act, as they would be in the nature of actions on an express contract.

If, as contended by the Marconi Company, the Act of 1910 amounts to nothing more than a consent by the United States to be sued in tort, there would have been no need for the special provision permitting all defenses to be interposed by the Government.

Prior to the Act of 1910 the defendant in an infringement suit was given leave by statute to make such defenses, and surely the Government, if sued as an infringer, would have the same rights and privileges as the individual, without requiring special legislation in its behalf as to such rights and privileges already existing in favor of the citizen.

Eminent Domain.

The ruling in *Crozier v. Krupp*, that, in the opinion of this Court, "there is no room for doubt that the statute makes full and adequate provision for the exercise of the power of eminent domain for which, considered in its final analysis, it was the purpose of the statute to provide," appears to be a decisive answer to all petitioner's contentions and arguments. Petitioner challenges the expression of opinion on the part of the Court. We therefore submit a review of cases bearing on the question involved in this challenge.

This Court, in *Hollister v. Benedict Manufacturing Company*, 113 U. S., 59, recognized the right of the Government to appropriate property such as patents, holding that the use of a patented invention by the Government, *without the consent of the patentee or owner*, was a clear case of taking under the power of eminent domain, upon which the law would imply a promise of compensation, and sug-

gested that an action for the recovery of the same "might be brought" in the Court of Claims.

In that case the Circuit Court had sustained a bill against a revenue officer charged with infringement of a patent for improvements in revenue marks or labels (4 Fed. Rep., 83), and in reversing the decree (on the ground that the alleged improvement lacked patentable novelty) this Court suggested that the suit should be against the United States, not against an officer of the Government, saying further (113 U. S., p. 67) :

"If the right of the patentee was acknowledged, and, *without his consent*, an officer of the Government, acting under legislative authority, made use of the invention in the discharge of his official duties, *it would seem to be a clear case of the exercise of the right of eminent domain*, upon which the law would imply a promise of compensation, an action on which would lie, within the jurisdiction of the Court of Claims, such as was entertained and sanctioned in the case of *The United States v. The Great Falls Manufacturing Co.*, 112 U. S., 645. And it may be that, even if the exclusive right of the patentee were contested, such an action might be brought in that Court, involving all questions relating to the validity of the patent." (Italics mine.)

Again, in *United States v. Lynah*, 188 U. S., 445, Mr. Justice Brewer said :

"Very different from this proprietary right of the government in respect to property which it owns is its governmental right to appropriate the property of individuals. All private property is held subject to the necessities of government. The right of eminent domain underlies all such rights of property. The government may take per-

sonal or real property whenever its necessities or the exigencies of the occasion demand. So the contention that the government had a paramount right to appropriate this property may be conceded, but the Constitution in the Fifth Amendment guarantees that when this governmental right of appropriation—this asserted paramount right—is exercised it shall be attended by compensation.

The government may take real estate for a post office, a court house, a fortification or a highway; or in time of war it may take merchant vessels and make them part of its naval force. But can this be done without an obligation to pay for the value of that which is so taken and appropriated? Whenever in the exercise of its governmental rights it takes property, the ownership of which it concedes to be in an individual, it impliedly promises to pay therefor. Such is the import of the cases cited, as well as of many others."

To the same effect attention is called to the ruling of the Fourth Circuit Court of Appeals, which Court, after discussing this question at length in the case of *Dashiell v. Grosvenor* (66 Fed. Rep., 334), reversed the decree of the lower Court enjoining an officer of the Government, and remanded the case with instructions to dismiss the bill.

In this case the Court of Appeals say:

"The title the individual citizen has to property is good as against all other citizens, but it must yield to the necessity of the Government and submit to the social requirements and rights of the general public; and this right of the Government to protect itself and defend its own is not to be controlled by any other person, company or corpora-

tion. *The only restriction, as we have already remarked, is the constitutional requirement that just compensation shall be made to the owner for property so taken.* The proper mode of proceeding in order to secure compensation for private property taken for public use *without the consent of the owner, and in the absence of legal action for condemnation*, has received judicial consideration, the Supreme Court of the United States having at different times plainly indicated the same, particularly in cases where the Government has used an invention without permission of the owner of the Letters Patent protecting the same. *Kohl v. U. S.*, 91 U. S., 367, 374; *James v. Campbell*, 104 U. S., 356; *U. S. v. Great Falls Manufacturing Co.*, 112 U. S., 645, 656, 5 Sup. Ct., 306; *Hollister v. Benedict and B. Manuf'g Co.*, 113 U. S., 59, 5 Sup. Ct., 717; *U. S. v. Palmer*, 128 U. S., 262, 9 Sup. Ct., 104; also the following cases in the Court of Claims: *Schilling's case*, 24 Ct. Cl., 278, 298, *Gill's case*, 25 Ct. Cl., 415; *Berden's case*, 26 Ct. Cl., 48. * * *

We think that the consent of the owner of a patented device while it is desirable and should be obtained, if it conveniently and reasonably can, is not positively necessary in order to enable the United States to use the invention described in the letters patent, particularly in cases where it relates to the mode of construction of implements of warfare required by the Government, and indispensable to the armament of its vessels of war. *Such right to take and use the property of the citizen for Government purposes is indisputable—an inborn element of sovereign power essential to the independence and perpetuity of the nation.*" (Italics mine.)

On appeal this Court affirmed the Circuit Court of Appeals (*Dashiell v. Grosvenor*, 162 U. S., 425), but upon a different ground, *i. e.*, non-infringement, and added:

"This conclusion also renders it unnecessary for us to consider the questions discussed by the Court of Appeals in its opinion, in respect to one of which see *Belknap v. Schild*, 161 U. S., 10; but for the reasons stated its decree, dismissing the bill, is affirmed."

The opinion of the Court in *Hollister v. Benedict* and *Dashiell v. Grosvenor*, referred to above, characterized the use by the Government of the subject-matter of a patent, without the consent of the owner, but under circumstances involving a recognition of his right, as a taking by the Government in the exercise of its power of eminent domain, and petitioner, at page 15 of its brief, points out, under subhead "B," that:

"Prior to the Act of 1910 a patentee had a remedy in the Court of Claims or District Courts where his patented rights were taken under the exercise of the power of eminent domain."

Such a taking was not, of course, a tort, but nevertheless petitioner contends that a taking under the Act of 1910 would be a tort, and in this connection it cites, in addition to several cases which we have just discussed, the following:

Brooks v. U. S., 39 C. Cls. 494.

Bethlehem Steel Co. v. U. S., 42 C. Cls. 365.

U. S. v. Russell, 13 Wall., 623.

U. S. v. Great Falls, 112 U. S., 645.

As we read these cases, they not only fail utterly to support petitioner's contention, but are clearly opposed to it.

Whether the Courts were correct in the theory that Government use of an invention, without the owner's consent, but under circumstances involving recognition of his right, was, prior to the Act of 1910, a taking under eminent domain, would appear to depend upon the existence, at the time, of adequate provision of law, under which such patent owners could sue for compensation and actually get a judgment against the United States, as it has been uniformly held that in every taking under eminent domain the law implies a promise by the Government to make just compensation to the owners of the property so taken (*United States v. Burns*, 12 Wall., 246; *Cammeyer et al. v. Newton et al.*, 94 U. S., 246; *Belknap v. Schild*, 161 U. S., 110; *James v. Campbell*, 104 U. S., 352; *United States v. Russell*, 13 Wall., 623; *Cherokee Nation v. Southern Kan. Ry. Co.*, 135 U. S., 641; *Sweet v. Rechel*, 159 U. S., 380; see also *Lewis' Eminent Domain*, 3d ed., vol. 2, secs. 675, 679, and *Cooley Cons. Lim.*, 7th ed., p. 813), and unless the Courts have authority to entertain such suits and award judgment, the remedy would be in theory only.

We do not here enter into a detailed discussion of the history preceding the Act of 1910, nor into argument as to the rightfulness of the decision in *Crozier v. Krupp*, because these matters are more fully considered in the brief filed in this Court in the companion case of *William Cramp & Sons Ship & Engine Building Co. v. International Curtis Marine Turbine Co.*, No. 393, on behalf of the petitioner in that case.

This Court, in *Crozier v. Krupp*, points out that prior to the Act of 1910 there was no redress or remedy for owners of patents used by the Government without their consent and without recognition of their right—that is to say, under the circumstances that would otherwise undoubtedly have justified a finding by the Courts that the taking was under eminent domain—and it has furthermore been the recognized practice of the Court of Claims for years past to dismiss all such suits for lack of jurisdiction, as the evidence failed to show “a meeting of the minds” necessary to establish contract relations, and they were considered in consequence as actions sounding in tort.

By the Act of 1910 all this is changed and now, as this Court says in *Crozier v. Krupp*:

“In substance, therefore, in this case, in view of the public nature of the subjects with which the patents in question are concerned, and the undoubted authority of the United States as to such subjects to exert the power of eminent domain, the statute, looking at the substance of things, provides for the appropriation of a license to use the inventions, the appropriation thus made being sanctioned by the means of compensation for which the statute provides.”

The ruling of the Court of Claims in the *Farnham* case, cited by plaintiff (p. 14 of their brief), was based on an implied contract in fact as distinguished from a contract implied in law, such as we have in the present case and such as this Court ruled on in *Crozier v. Krupp*, and the citation is, therefore, not relevant. In our view contracts implied in fact were such as the Court of Claims had within their jurisdiction before 1910, and now the

Act of 1910 gives them jurisdiction of certain contracts implied in law.

Plaintiff apparently does not distinguish between a contract implied in fact and a contract such as is implied in law under a taking by the United States in the exercise of its power of eminent domain.

In the use by the Government of valid patent rights under circumstances from which it could be implied ~~that the owners consent~~ ^{that the owners consent} was obtained, we would have a contract implied in fact, on which, under the law and independent of the provisions of the Act of 1910, recovery could be had by suit in the Court of Claims.

In a similar use, without the owners' consent implied in fact, we would have, under the Act of 1910, a contract implied in law, on which just compensation would be recoverable by suit in the Court of Claims.

We are in entire agreement with the Fourth Circuit Court of Appeals in the case above (*Dashiell v. Grosvenor*), that the actual consent of the owners of patented devices is desirable and should be first obtained, if it conveniently and reasonably can; but this is utterly impossible in the great majority of instances, for the reason that there is no practical course known by which the Government can determine in advance the particular patent or patents likely to be involved in apparatus and devices it adopts, and, as a rule, urgently needs for immediate use.

If the Act of 1910 did nothing more than to eliminate the uncertainty previously existing as to the right of use of patented inventions by the Government whenever needed and the right of recovery of just compensation by the owners for such use, it accomplished a great purpose in the interest of all parties concerned.

Ordinarily notice of such use by the Government is not received from owners of patented inventions until long after the apparatus has been put to extensive use by either or both the Army or Navy, and then it usually comes for the first time in the form of suit in the Court of Claims.

There is no evidence in the present case that notice was served on the Government by the petitioner that the apparatus on which it advertised for bids was within the claims of the patent in suit.

The delay on the part of owners of patents is doubtless due in many instances to their not being aware of the use by the Government of apparatus within their patents, and knowledge of such use is usually obtained through accidental or indiscreet disclosure by some Government officer or employee.

It is generally recognized that in order to properly safeguard the nation, secrecy is absolutely necessary in many cases of Government use of apparatus and devices of various kinds, particularly in the equipment for the Army and Navy, in which most of the uses by the Government of patent inventions arise.

To require the Government to seek out and bargain with owners of patents, before availing itself of the most advanced ideas, would so seriously interfere with and disadvantage the Government in the proper performance of its functions as to at times seriously imperil the safety of the country.

It has been the practice of both the Army and Navy for years past to observe the utmost secrecy with reference to the development of military plans and the construction and operation of the equipment required in effectively carrying out such plans. Strict adherence to this policy is evidenced from time to time by the refusal of the Secretary of the Navy and the Secretary of War to furnish depart-

mental data, on call by the Court of Claims, made at the request of plaintiffs or claimants before that Court in suits against the Government, such refusal being based on the ground that publication of the data would be detrimental to public interests.

The Court in the case above referred to (*Dashiell v. Grosvenor*) seems to have recognized and appreciated the difficulties the Government would experience in attempting to first obtain the consent of the owners of patents before adopting and using patented subject-matter, as it ruled that such consent

"is not positively necessary in order to enable the United States to use the invention described in the letters patent, particularly in cases where it relates to the mode of construction of implements of warfare required by the Government, and indispensable to the armament of its vessels of war."

There can be no doubt about the apparatus to which the present case relates being one of the most effective and invaluable implements of warfare required by the Government, and as such indispensable to vessels of war, as it constitutes the only known means of long-distance communication available for use to-day from ship to ship and from ship to shore.

If the rule were otherwise than as stated in the case above, it would be quite within the power of the owner of a patent to hold vessels of war from going into commission, as was threatened in the present case.

The Acting Secretary of Navy, in the letter to which attention has been several times called (Rec., pp. 60-61, fol. 97), says, referring to the wireless sets called for by Simon's contract :

"In the case of these sets *time of delivery is an important consideration*, owing to the fact that some of the ships to which the sets are to be assigned are nearing completion."
(Italics mine.)

And again, in another letter, addressed to the Court below (Rec., pp. 79-80, fols. 130-131), Mr. Roosevelt, the Acting Secretary, says:

"I have the honor to advise the Court that any interruption of or interference with, by injunction or otherwise, the fulfillment by Mr. Emil J. Simon, the defendant in said case, of his contract with this Department for such radio apparatus would embarrass the Department and seriously disadvantage the public interests, and that any hindrance of business relations with him would be detrimental to the interests of the naval service."

The failure of the Marconi Company and its licensees (National Electric Signaling Company and National Electrical Supply Company) to qualify as ready and able to supply the Navy with wireless apparatus of the high standard required, followed by the attempt to enjoin the manufacture and delivery of such apparatus to the Navy by Simon, makes it plainly evident that it was certainly through no lack of desire or effort on the part of the petitioner here that the submarines and other naval vessels for which the sets were intended were not held up and prevented from going into commission.

It was the rule of law laid down by this Court in *Crozier v. Krupp* that made those vessels and many others since then available to the Navy for service in the present war, and it may be added that success by the Marconi Company in this case in

the court below would undoubtedly have resulted in seriously weakening the military arm of the Government in extremely critical times.

The Act of June 25, 1910.

[36 U. S. Statutes, 851, 852. Paragraphed for Convenience.]

An Act To provide additional protection for owners of patents of the United States, and for other purposes.

Be it enacted, etc., That whenever an invention described in and covered by a patent of the United States shall hereafter be used by the United States without license of the owner thereof or lawful right to use the same, such owner may recover reasonable compensation for such use by suit in the Court of Claims:

Provided, however, That said Court of Claims shall not entertain a suit or reward compensation under the provisions of this Act where the claim for compensation is based on the use by the United States of any article heretofore owned, leased, used by, or in the possession of the United States:

Provided further, That in any such suit the United States may avail itself of any and all defenses, general or special, which might be pleaded by a defendant in an action for infringement, as set forth in Title Sixty of the Revised Statutes, or otherwise:

And provided further, That the benefits of this Act shall not inure to any patentee, who, when he makes such claim, is in the employment or service of the Government of the United States; or the assignee of any such patentee; nor shall this Act apply to any device discovered or invented by such employee during the time of his employment or service.

Approved, June 25, 1910.

This Court, in its ruling in *Crozier v. Krupp Co.*, *supra*, described the situation prior to the passage of the Act of 1910 as follows:

“Where it was asserted that an officer of the Government had infringed a patent right belonging to another—in other words, had taken his property for the benefit of the Government—the power to sue the United States for redress did not obtain unless from the proof it was established that a contract to pay could be implied—that is to say, that no right of action existed against the United States for a mere act of wrongdoing by its officers.”

In other words, prior to the Act of 1910, the jurisdiction of the Courts was so limited, with reference to suits against the Government for the use of patented inventions, that only those suits could be entertained in which it was established to the satisfaction of the Court that the Government was a licensee under either an express or an implied contract, and any recovery in such suits represented royalties—not profits or damages. (*United States v. Burns*, 12 Wall., 246.) The action was brought on the theory of contract—that is to say, a license agreement with the Government under the patent sued on.

As stated by petitioner, at page 13 of its brief, under subhead “A”:

“Prior to the Act of 1910 a patentee had a remedy in the Court of Claims by a suit against the United States for its lawful use of an invention” (citing *Schillinger v. U. S.*, *Belknap v. Schild*, and *Russell v. U. S.*).

To have proceeded against the Government, as an infringer, demanding an accounting and judgment for profits and damages, would have resulted in the suit being dismissed as an action sounding in tort, over which the Courts had no jurisdiction.

It was the fact that the great majority of such uses of patented inventions by the Government was not as actual licensee and recovery was therefore impossible, that led to the passage of the 1910 Act.

This Court found to this effect in *Crozier v. Krupp*. Referring to the rule of prior statute law, barring tort or infringement actions against the United States the Court said:

"The enactment of the Statute" (Act of June 25, 1910) "we think, grew out of the operation of the prior statute law concerning the right to sue the United States for the act of an officer in infringing a patent as interpreted by repeated decision of this Court" (citing cases). " * * * Evidently inspired by the injustice of this rule as applied to the rights of the character of those embraced by patents, because of the frequent possibility of their infringement by the acts of officers under circumstances which would not justify the implication of a contract, the intention of the statute to create a remedy for this condition is illustrated by the declaration in the title that the statute was enacted 'to provide additional protection for the owners of patents'."

The title to the Act is cited by the Marconi Company, in further support of its main contention, that the Act of 1910 is an enlarging and remedial statute by which the United States simply consents to be sued in tort for infringement.

Obviously, the "additional protection" provided by the statute for the owners of patents, was not against the use of the subject-matter by the Government, nor was it intended to bar, limit or otherwise restrict such use, in view, as stated by this Court in *Crozier v. Krupp*, of

"the grave detriment to the very existence of government which might result from interference with the right of the Government to make and use instrumentalities of the character of those with which the patents in question are concerned."

If, as contended by the Marconi Company, use by the Government is an infringing use, for which a tort action lies, then use by contractors for the Government would be a similar use, and in tort actions against such contractors it is readily conceivable that the resulting delay and interference with the work under the contracts might easily threaten the very existence of the Government and the Nation as well.

In the early case of *Heaton v. Quintard* (7 Blatchf., 73; Fed. Case 6311), the Court remarked upon the resulting embarrassment to the Government from interference with the work of Government contractors. In that case a bill was filed, praying for an injunction and accounting against a contractor for the Government and charging him and his men with infringement, in applying armor, alleged to be covered by the patent sued on, to the monitor *Onondaga*, then under construction for the United States Navy at the contractor's shipyard.

In ruling on this case, Judge Blatchford said:

"One of the defenses set up in the answer is that, as the wooden armor and outside

plating were built in consequence of an order given for that purpose by the Secretary of the Navy of the United States, and were applied to a vessel built for the United States, and were paid for to the defendants by the Secretary of the Navy, the defendants are not liable for any value which such armor may have been to the United States. *I think this is a good defense.* To hold that workmen and employees of the Government, who do work for it upon a vessel owned by it, and are paid for doing such work, such work being done in a specific form by orders of the Government, can be held liable in a court of the United States for infringing a patent by doing such work, would be, in effect and substance, to allow the Government itself to be sued, in the guise of a suit against its workman, *and would lead to embarrassments of the operations of the Government, which might prove of serious detriment.*" (Italics mine.)

The Acting Secretary of the Navy advised the lower Court to the same effect in the present case (Rec. p. 79, fol. 130) :

"I have the honor to advise the Court that any interruption of or interference with, by injunction or otherwise, the fulfillment by Mr. Emil J. Simon, the defendant in said case, of his contract with this Department for such radio apparatus would embarrass the Department and seriously disadvantage the public interests, and that any hindrance of business relations with him would be detrimental to the interests of the naval service."

The Marconi Company further urges that this Court decided, in *Crozier v. Krupp*, that the Act, as contended by petitioner, is an enlarging and remedial statute by which the United States simply

consents to be sued in tort for infringement and then proceeds to point out, according to its view, the distinguishing fact between that case and this one, *i. e.*, that no pecuniary benefit accrued to General Crozier personally, while Simon infringed for his personal profit.

It is true that no pecuniary benefit, in the nature of personal profits on the manufacture, accrued directly to General Crozier, but indirectly he was compensated, and probably in excess of Simon's profits, by the salary received for the time he devoted to the subject-matter on which the suit was based.

The lower Court suggests on this point that the Government

"could take Simon into its employ at a stated stipend, and it could even make that stipend the exact amount of his estimated profits under the contract."

And adds:

"If this had been done, the plaintiff could certainly do nothing but institute an action in the Court of Claims. *Simon would be as immune as an Admiral.*"

Certainly an express or an implied licensor of the Government would have no right of action against those assisting the Government in carrying out its license or doing for the Government what the Government had a lawful right to do for itself.

This is a fixed rule of law so well established and generally recognized and admitted as not to require the citation of authorities to support it, yet we find petitioner here contending that the purpose and object of the Act of 1910 was to give to

owners of patents, used by the Government since its passage, a right of action against the Government, *in addition* to the alleged previously existing right of action against Government contractors for an injunction and an accounting for profits and damages.

In other words, the Marconi Company asks this Court to hold, as to owners of patents who, before the enactment of the statute, had no redress or remedy against the Government for use by the Government of their patented inventions, that, under the provisions of this law, such owners now have vastly greater and better rights than are enjoyed by the Government's express and implied licensors.

The obvious consequence of such a ruling by this Court would be for all patent owners, in their own interest, to avoid, in every way possible, becoming parties to either express or implied license agreements with the Government and await the psychological moment when a Government contractor began work under his contract, then have him enjoined and an accounting decreed, and, either at the same time or thereafter, proceed against the Government, by suit in the Court of Claims, for compensation, for its share in the transaction. The result would be to cut off the Government's source of supply of the apparatus contracted for, as far as the particular contractor involved was concerned.

But, it may be suggested, that if it were shown to the Court that the need for the apparatus was urgent and the Government could not obtain it elsewhere, the Court would then refuse to enjoin the contractor, in order to permit him to carry out his contract.

Petitioner will no doubt go as far as to agree that under such circumstances, a contractor for

the Government should not be enjoined, but at the same time will insist that notwithstanding the refusal of an injunction, the contractor should be held for an accounting for profits and damages.

A ruling by this Court sustaining the Marconi Company in the position it takes here, would be notice to all contractors, past, present and future, that a Government contract, as a business proposition, is an uncertain investment, in that they may not only fail to realize the estimated profits on the work done, but may actually be put to heavy losses from the costs of patent litigation. The purpose of the Act of 1910 was to avoid "the grave detriment to the very existence of government which might result from interference with the right of the government to make and use instrumentalities of the character of those with which the patents in question are concerned" (*Crozier v. Krupp*, pp. 306-307), and to provide protection for the owners of patents, which were used by the Government, without an express license or a license implied in fact. It was such owners who, up to the time of the passage of the Act, were without protection and complained of being unfairly treated and demanded relief and justice.

There was, therefore, no occasion for legislation to provide additional protection for the Government's actual licensors, either express or implied in fact. They needed no additional protection; their license contracts or agreements with the Government fully protected them, in that they enabled them, when necessary, to proceed against the Government in the Courts for a full recovery of all royalties due and obtain judgment for the same.

Certainly an express or an implied licensor would have no right of tort action against those assisting the Government in carrying out its license

and reasoning now by analogy, why should the Act of 1910 endow owners of patents who become constructive licensors under its provisions and who, prior to its passage, had no remedy, with any better or greater rights?

The effect of the Act was to give equal rights and advantages to all owners of patents used by the Government; to give them all recognition as the Government's licensors, and as such permit them to go into court and, on establishing their title to the patent, the validity of the patent and its use by the Government, to recover whatever was due in the way of royalties.

The provisions of the Act fully met the situation complained of and completely remedied the injustice previously suffered.

As stated by this Court, in *Crozier v. Krupp*, the Act of 1910

“adds to the right to sue the United States in the Court of Claims already conferred when contract relations exist the right to sue even although no element of contract is present.”

That is to say, no element of an express contract or a contract implied in fact is present, but this Court held that in the absence of either of the contracts mentioned, the statute provides for the appropriation of a license, *i. e.*, a contract implied in law, under which an action may be brought for the recovery of just compensation, the Court, saying (p. 305) :

“In substance, therefore, in this case, in view of the public nature of the subjects with which the patents in question are concerned and the undoubted authority of the United States as to such subjects to exert the power of eminent domain, *the statute*,

looking at the substance of things, *provides for the appropriation of a license to use the inventions*, the appropriation thus made being sanctioned by the means of compensation for which the statute provides." (Italics mine).

Then, after holding that the compensation provided for need not precede appropriation, in view of the fact that the statute provides adequate means for a reasonably just and prompt ascertainment and payment of the compensation, the Court said (pp. 306-307) :

"Coming to apply these principles, and confining ourselves in their application, as we have done in their statement, strictly to the conditions here before us, that is, the intangible nature—patent rights—of the property taken, the great possibilities in the essential operations of government that such rights may be invaded by incorporating them into property of a public character, of the vital public interest involved in the subject-matter of the patents in question, and the grave detriment to the very existence of government which might result from interference with the *right of the government to make and use instrumentalities of the character of those with which the patents in question are concerned*, of the purpose which the statute manifests to add additional protection and sanction to private rights, and the pledge of the good faith of the Government which the statute plainly implies, to appropriate for and pay the compensation when ascertained as provided in the statute—we think there is no room for doubt that the statute makes full and adequate provision for the exercise of the power of eminent domain for which, considered in its final analysis, it was the purpose of the statute to provide." (Italics mine).

This action was against an officer (Crozier) of the Government. The action was begun June 8, 1907 (three years before the Act of June 25, 1910). The plaintiff below waived an injunction as to guns already manufactured and in the possession of the Government, but asked for an injunction against Crozier as to further manufacture. This Court (p. 308), after commenting on the fact that the bill had been amended by stipulation so as to waive all claims on the prior use of the guns, a preliminary injunction, and all right to an accounting, said (p. 308):

“As a result the case was confined solely to obtaining at the end of the suit a permanent injunction forbidding the making of, or causing to be made by the defendant, guns or gun carriages embodying the inventions owned by complainant.

Upon the hypothesis that the decree of the Court below * * * was correct under the conditions existing when it was rendered” (October 7, 1908), “clearly, under the circumstances now existing, that is, the acquiring by the government, under the right of eminent domain, as the result of the statute of 1910, of a license to use the patented inventions in question, there could be no possible right to award at the end of a trial the permanent injunction to which the issue in the case was confined.”

The question involved there was not one of the Court's discretion to suspend or refuse the remedy of injunction; the question was as to the right of the Court to grant an injunction after the Act of June 25, 1910, as to matters arising since that Act. This Court decided that the lower Court had no such right. And it so decided this question in the abstract, uninfluenced one way or the other by

the fact (of which plaintiff's brief attempts to make a point) that Crozier was an officer of the Government. This was the view taken in *International Co. v. Cramp & Sons Co.* (202 F. R., 932, 951; 211 F. R., 124, 153), to which we will presently refer. However, the fact that Crozier was a Government officer would not distinguish the present case from that of *Crozier v. Krupp*, for the reason that, admittedly, the defendant here supplies to the Navy Department only parts of transmitter apparatus which the officers of the Navy Yard add to and install, and that he supplies such apparatus as a contractor or temporary employee of the Government. And it is not until such additions and installations are made that, even according to the plaintiff's view, anything is produced which embodies the alleged inventions of the Marconi patent and which, therefore, as petitioner contends, infringes the claims in issue of this patent.

Furthermore, the question in *Crozier v. Krupp* was not one of ousting the Court from jurisdiction *once acquired*, because in *Crozier v. Krupp* jurisdiction had been waived by the plaintiff as to guns already manufactured and delivered, the plaintiff merely attempting to get an injunction as to guns which might be manufactured and sold in the future, in which contention it was overruled by this Court.

In the case of *International Co. v. Cramp & Sons Co.* (202 F. R., 932, 951; 211 F. R., 124, 153), the defendant was a private corporation, the action was begun in 1909 (one year before the Act of June 25, 1910); and the manufacture of the alleged infringing turbines was begun before the bill

was filed, delivery thereof being made some time subsequent. Plaintiff waived the application of any decree to the vessels in which these turbines were installed, or to the Government in respect thereof. The Court said (p. 958) :

"The bill was filed in 1909, and WE THINK THERE WAS THEN NO DOUBT THAT THE COURT BELOW HAD THE RIGHT TO ENTERTAIN IT. It had been much debated, and had been variously determined, how far an injunction might interfere with the acts of government officers, who in their official capacity were infringing or were threatening to infringe the rights of patentees. The Supreme Court had refused to permit a plaintiff to interfere with property owned by the government and in its actual possession, but no such decision had ever been made concerning property that was still in the course of preparation for public use by a contractor with the government. The facts in *Dashiell v. Grosvenor*, 13 C. C. A., 593, 66 Fed., 334, 27 L. R. A., 67, present this situation as nearly as any other case, and it may be worthy of note that the Supreme Court took jurisdiction of that dispute on the merits, and decided the question of infringement. On the face of such a bill as is now presented, the controversy is primarily between individuals, and no reason is perceived why the equitable jurisdiction of a court does not attach. There may be sufficient reasons of public policy to induce the refusal of relief by injunction, either at a preliminary stage or after final hearing; but this is a separate question, distinct from the principal matters of dispute, and does not operate retroactively to take away the power of the court to hear and determine the controversy on its merits. The relief to which a plaintiff would ordinarily be entitled in a suit between individuals, may be denied in a par-

ticular case for special reasons; as it may be denied where no question of public policy can possibly arise; but, we repeat, this of itself does not *oust* the court of its equitable jurisdiction to hear and decide the suit." (Caps and italics mine.)

In this part of its opinion, the Court obviously merely holds that, because the action was begun in 1909, the lower Court then had equitable jurisdiction, and having once had jurisdiction it should retain it—and that is all. However, considering the case as to matters arising since the Act of June 25, 1910, and the effect of that Act on the question of jurisdiction, the Court said:

"But since the suit was brought, the act of 1910 has been passed, and has been interpreted by the Supreme Court in the recent case of *Crozier v. Krupp*, 224 U. S., 290, 32 Sup. Ct., 488, 56 L. Ed., 771. This statute, we think, furnished a practical solution of the questions arising upon this branch of the case. Even if the plaintiff did not disclaim the desire to interfere with the government's possession of the vessels, there is no longer any ground upon which a final injunction can be properly rested, *even in a suit against a contractor with the government*, where the dispute concerns such property as vessels of war. If the United States has infringed, or shall hereafter infringe, the patents that we have been considering, the act of 1910 permits the plaintiff to sue in the Court of Claims. *Crozier v. Krupp, supra.*" (Italics mine.)

Here the Court, in terms, decides that, in view of the Act of June 25, 1910, there is no equitable jurisdiction as to acts committed since that date, by the United States or any private individuals, as "contractors," acting for it.

Apparently considering a suggestion that because of the manufacture by a contractor for the Government of apparatus embodying the alleged inventions of the patent, a general injunction should issue against the defendant, the Court made the following very significant statements:

“And if the defendant shall undertake to infringe hereafter by making offending turbines for commercial use, relief can be obtained by another suit. The plaintiffs are entitled to a decree sustaining patent No. 566,969 so far as indicated in the foregoing opinion, and ordering an account, but an injunction will be denied.”

The reason for ordering an account was that, as the Court had equitable jurisdiction at the time the suit was begun, it was not ousted from its jurisdiction of the case by the Act of June 25, 1910, as to matters occurring prior to that Act; but that, although it could not grant an injunction, it could, under well-settled rules, retain the suit for the purpose of the accounting which it ordered.

Under the law, therefore, as stated in the Act of June 25, 1910, and as stated in the two decisions to which we have referred, the lower Court had no equitable jurisdiction of the present case, in that it could not grant the injunctive relief prayed for. There was no tortious act committed or threatened by defendant. Such an act is an essential prerequisite for an injunction, preliminary or perpetual.

As the Federal Government has the right, under the Act of June 25, 1910, to make and use the alleged inventions of the Marconi patent, it necessarily has the right to employ others to make such apparatus for it.

In this connection, we desire to call the attention of the Court to a misstatement appearing in petitioner's brief, and throughout the affidavit of Mr. Bottomley, vice-president, etc., of the plaintiff company, as to the character of the transactions between the respondent and the Navy Department. These transactions are referred to as SALES of wireless telegraph apparatus made by the defendant to the Navy Department. The statement is contrary to the facts presented on the motion below, even by the plaintiff's moving papers, from which it affirmatively appears that Simon does not SELL wireless telegraph apparatus to the Navy Department (or anyone else). As to such apparatus, he is merely a contractor, making and supplying it to the Navy Department (and no one else) on its orders. He is, therefore, not a vendor of such apparatus, as stated in the case of *Johnson Co. v. Union Co.*, 55 F. R., 488, which also lays down the law that one who has a license to make has a right to employ others to make the patented device for him, the language of the Court being as follows:

"* * * the facts are that the railroad company, first named, having acquired a right by license to make and use the signals on its lines, contracted with the appellant to make and erect them for a stipulated compensation; and that the latter did make and erect them accordingly. This was not a violation of the appellee's rights. The appellee, however, claims that it was, because the transaction, as it thinks, constituted a sale within the meaning and prohibition of the patent laws. A contract to make and deliver specified articles for a given sum, is held under the statute of frauds not to constitute a sale, but simply an agreement for materials and labor. (*Mixer v. Howarth*, 21 Pick., 265; *Spencer v. Cone*, 1 Mete.

[Mass.], 283; *Goddard v. Binney*, 115 Mass., 450.) It is unimportant here, however, by what name the transaction is designated. No injury resulted to the appellee. The appellant did for the railroad company, at its instance, only what the latter had a right to do under its license. The suggestion that it could not employ others to make the signals for its use, but must make them itself at its own shops, by its own workmen, is unwarranted by anything found in the license, or elsewhere. As it had a right to make them, the appellee is not interested in the place or manner of its exercise. Nor is there any support for the suggestion that the appellee is entitled to a profit on the manufacture. The right to such profit passed with the license, irrespective of the individual who might do the work."

The license there considered was a voluntary one; while that appropriated by the Federal Government in the present case, under the Act of June 25, 1910, is what may be termed a compulsory constructive license, but this does not affect the situation.

If now, as held by this Court, the Act operated to create a license in favor of the Government, the next question to be considered is to what extent, if any, the Government is limited in the free exercise of the rights ordinarily conferred, to make, use and sell the patented device.

On this point, the ruling of the lower Court, as affirmed by the Court of Appeals, was to the following effect:

"What the Act contemplates being done by the United States is to *use* an invention 'described in and covered by a patent.' This is held to be equivalent to the expropriation

or appropriation of a 'license to use the inventions.' This means a license in its widest sense, *i. e.*, both to make and to use, and possibly to sell; but certainly to make and to use.

* * * * *

The United States has a license under this patent to make, use and perhaps to sell, to any extent deemed beneficial to the commonwealth, and without any territorial or other limitation upon its right."

Obviously, the license to the Government is unrestricted and protects those who do for the Government that which the Government has a right to do under the license.

At the present time, for example, as was also true to a much more limited extent in the past, the Government has, of necessity, through lack of manufacturing facilities of its own, been compelled to obtain, without delay, vast quantities of supplies of various kinds, particularly war material, from outside sources, and many claims made against the Government for compensation for the unauthorized use of patented inventions prior to the Act of 1910, were based on material thus obtained.

To hold that the license to the Government is a limited license to "use," in the narrow sense of the use of machines or apparatus, would defeat the very purpose this Court, in *Crozier v. Krupp*, held the Act was intended to serve, to wit, to avoid "interference with the right of the Government to make and use" inventions in the interest of the Commonwealth.

Even if the word "use" be taken in the narrow sense, it is nevertheless well settled that the right to use an invention implies the right to make the same.

In *Illingworth v. Spaulding*, 43 F. R., 827, Judge Green, for the District of New Jersey, said (p. 830) :

"The right to use the guides upon disk-rolling machines implies the right to make them so that they may be used. Any other construction would put the defendants at the mercy of the complainant. If they could not rightfully make the guides, how could they exercise the right to use which had been granted them? From what source could they obtain the necessary guides? There is no obligation upon the complainant to supply them. He does not pretend that he made them for sale or ever offered them to the public. And if he declined to make them for the defendants, as he lawfully could, the result would be that the license would be defeated and practically become null and void. I think the principle applicable to cases like this is well stated in *Walker on Patents*, Sec. 298:

'An express license to use a limited or an unlimited number of specimens of a patented article, implies a right to make these specimens, and to employ others to make, and will protect others in making them for the use of the licensee.'

It having been shown first, that under the provisions of the Act, as interpreted and construed by this Court, a license is imposed in favor of the Government, and second, that such license covers both the making and the use of the patented invention, the decision last quoted brings up and rules that the licensee is not limited to making with his own hands but may employ others to make the invention, and that such employees will be protected in the making for the licensee.

On this point, the attention of the Court is called to the case of *Stone-Cutter Co. v. Shortsleeves*, 16 Blatchf., 381. In that case, the patentee of the invention in steam stone-cutting machines, granted to a corporation the right to use the patented machine, or any number of such machines, in its quarry. In ruling on the case, the Court held that the grant conveyed the right to make the machines for said use.

In *Woodworth v. Curtis*, 2 Woodb. & M., 524, the grant was as follows:

"I do license and empower the said Thomas H. Holland and his assigns to use one machine in Boston aforesaid."

In construing this license, the Court says:

"The first question is, did this involve the right to make or procure to be made the machine thus permitted to be used? I think it did. Otherwise, the whole license might be defeated, if the grantor refused to make for him at all, or to make at any but an exorbitant price or demanded another consideration for a right in the grantee to make for himself, under a license like this.

I think, in accordance with these decisions, it must be considered that, by the license which he granted to the defendants, the complainant empowered them to make the guides which he authorized them to use."

Reference by the Court in the decision just above quoted to the possibility of the grantor of a license to use, defeating it by refusing to make for the grantee or to make at any but an exorbitant price, brings to mind here that while the Marconi Company did not refuse to make the apparatus for the Government, it certainly failed to indicate its

willingness or ability to supply the same, as it did not submit a bid, or otherwise compete for the contract, except so far as it may have been interested in the bids of its licensees, the National Electric Supply Company of Washington, D. C., and the National Electric Signaling Company of Pittsburgh, Pa., whose bids, it may be remarked, were approximately 25% and 100% higher, respectively, than Simon's (Rec., 58, fol. 95).

In *Steam Stone-Cutter Co. v. Shortsleeves*, 16 Blatchf., 381 (Fed. Case, 13,334), cited by Judge Green, in the above quotation, Judge Wheeler said:

"It is a maxim of the common law that one granting a thing impliedly grants that also without which the thing expressly granted cannot be had * * * and it is as applicable to grants of rights under patents, whether assignments or mere licenses, as to any other subject, where the true intent is sought for. *Curtis on Patents*, paragraph 214.

As this grant is now viewed, the right to make machines for the use expressly granted passed, and this would *include* the right to procure them to be made, and cover the making them by the one procured to make them." (Italics mine.)

In *Porter Needle Co. v. National Needle Co.*, 17 F. R., 536, Judge Lowell, in the District of Massachusetts, said:

"A license to use a machine implies the right to make and own it."

In the case of *Dunlop Pneumatic Tyre Co., Ltd. v. North British Rubber Co., Ltd.* (British patent and Trademark Cases, Vol. 21, p. 161), the license was a license to "use and exercise" the invention of

a combination patent. Justice Burne, in the Chancery Division of the High Court of Justice, said (p. 173) :

"I think that the true meaning of the agreement is that the goods sold under the license must be manufactured by the licensees, but I also think that they are not the less manufactured by them within the meaning of that clause, if they are manufactured for them by a third party, and a price is paid for that."

Upon appeal, in the Court of Appeals, Justice Vaughan Williams said :

"In my judgment the license granted by the second clause, which is what we have to deal with, is a full license, and there is nothing to restrict it at all. The words are, 'The licensors do hereby grant unto the licensees full license under Letters Patent mentioned in the second schedule hereto to use and exercise the invention protected by the said Letters Patent during the term of such Letters Patent.'

It seems to me that, if there had been nothing else at all in this license, these words 'use and exercise' would have enabled the licensees to exercise all the powers under the Letters Patent; they would be entitled to use, exercise and also to make and vend."

Lord Sterling said (p. 183) :

"I am of the same opinion. The first question is as to the meaning of the words 'use and exercise' in the second clause of the license. By that clause the licensors, who are the owners of the Patent, granted to the licensees full license under the Patent to use and exercise the invention protected by the Patent. Now the grant, by the Crown, which

is contained in a Patent, is a grant to make, use, exercise and vend the invention. Only two words are used in the license 'use and exercise': but it seems to me quite plain on the license itself that the four words were meant to be included and that the license is to be read just as fully in favor of the licensees as if it had run 'to make, use, exercise and vend the invention protected by the Letters Patent'."

Lord Cozens-Hardy also concurred and the judgment of the Court was unanimous that the license to use and exercise included the right to make.

See also:

Edison v. Peninsular Co., 95 F. R., 669

In the case cited above, particularly *Illingworth v. Spaulding*, in its approval of Section 282 of *Walker on Patents*, *Stone Cutter Co. v. Shortleeves*, *Woodworth v. Curtis*, and *Dunlop Pneumatic Tyre Co. v. North British Rubber Co.*, it will be noted that the right of the licensee is expressly recognized to have the device made for him by others than himself. To the same effect is *Montrose v. Mabic*, 30 F. R., 234, in which Judge Brown said:

"A license to a man engaged in business to make and use a patented article in his business generally, unless there is something else to restrict it, would manifestly be co-extensive with his business and continue until his business was wound up. The license in such case is not restricted to manufacturing with his own hands, or selling by his own personal efforts only. He may employ as many hands, as many salesmen and agents as his business will admit. So long as the

articles are made and sold in his business, and for his use and benefit, the sale would be within the license, though effected by the hands of hundreds of different agents and employees."

And the cases above cited expressly state the immunity of the maker for the licensee.

Thus, Section 298 of *Walker on Patents*, cited in *Illingworth v. Spaulding*, 43 F. R., 827, stated that the license

"will protect those others in making them for the use of the licensee."

Judge Wheeler in *Steam Stone-Cutter v. Short-sleeves* (Fed. Case, 13,334), says the license will

"cover the making them by the one produced to make them."

And Judge Taft, in *Thomson-Houston v. Ohio Brass Co.*, 80 F. R., 720, says that a manufacturer

"may make such a machine upon the order of a patentee or licensee, but not otherwise."

Also see *Robbins v. Columbus Watch Co.*, 50 F. R., 545, where defendants sold watch movements adapted to be used in a watch case, of which plaintiffs owned the patent. The sales of such movements to manufacturers of cases licensed by plaintiff were held not to be an infringement.

The language of the Circuit Court of Appeals for the Third Circuit in the case of *Johnson Railroad Signal Co. v. Union Switch and Signal Co.*, 55 F. R., 487, is directly in point. The Court said (p. 487):

"As respects the first, the facts are that the railroad company, first named, having acquired a right by license to make and use the signals on its lines, contracted with the appellant to make and erect them for a stipulated compensation, and that the latter did make and erect them accordingly. This was not a violation of the appellee's rights. The appellee, however, claims that it was, because the transaction, as it thinks, constituted a sale within the meaning and prohibition of the patent laws. A contract to make and deliver specified articles for a given sum: is held under the statute of frauds not to constitute a sale, but simply an agreement for materials and labor. *Mixer v. Howarth*, 21 Pick., 205; *Spencer v. Cone*, 1 Mete. (Mass.), 283; *Goddard v. Binney*, 115 Mass., 450. It is unimportant here, however, by what name the transaction is designated. No injury resulted to the appellee. The appellant did for the railroad company, at its instance, only what the latter had a right to do under its license. The suggestion that it could not employ others to make the signals for its use, but must make them itself at its own shops, by its own workmen, is unwarranted by anything found in the license, or elsewhere, as it had a right to make them, the appellee is not interested in the place or manner of its exercise. Nor is there any support for the suggestion that the appellee is entitled to a profit on the manufacture. The right to such profit passed with the license, irrespective of the individual who might do the work."

These authorities are, we respectfully submit, decisive of the case at bar. The Government, after June 25, 1910, became a licensee to use the invention of the patent in suit. As such, it had full right to make the devices itself or have them made by

others, who were protected in the making by the Government's license.

The fact that the defendant may make a profit out of the making was not a violation of the petitioner's rights and the petitioner is not entitled to the profit of the manufacturer. "The right to such profit passed with the license irrespective of the individual who might do the work."

CONCLUSION.

The Fifth Amendment to the Constitution states the condition on which the Government may take private property for public use, namely, by making just compensation. The Act of 1910 meets that condition and the Government is within its right under the Fifth Amendment and the Act of 1910 in making use of the Marconi patent. Having a right to make such use of the patent, the Government had a right to take proper steps toward that end. In the exercise of its right, it made a specific request for co-operation, and Simon responded in good faith, preparing the sample wireless set as called for by the Government. If he were to be treated as a tort-feasor and deprived of profit, other contractors would not care to respond to such calls for bids as that to which Simon responded, and the Government would be seriously handicapped in its undertakings. Having in view "the grave detriment to the very existence of government which might result from interference with the right of the government to make and use instrumentalities of the character of those with which the patents are concerned," I believe that this Court will so construe the Act of 1910 as to encourage those whom the Government asks to aid in its undertak-

ings, and to confine the plaintiff in the present case to the remedy provided in that Act.

Respectfully submitted,

WALTER H. PUMPHREY,
Counsel for Respondent.

January, 1918.

MARCONI WIRELESS TELEGRAPH COMPANY
OF AMERICA *v.* SIMON.CERTIORARI TO THE CIRCUIT COURT OF APPEALS FOR THE
SECOND CIRCUIT.

No. 168. Argued January 29, 1918.—Decided March 4, 1918.

The Navy Department accepted respondent's proposal to furnish certain sets of wireless telegraph appliances, the bid having been based on the Department's specification describing the appliances desired and upon a sample submitted with the bid as the Department required. Before the contract was completed this suit was brought to restrain him from making or delivering, upon the ground that petitioner's patent rights would thereby be infringed. In the courts below a decree dismissing the bill was made and affirmed upon the ground that the infringement, whether direct or contributory intrinsically, was not unlawful, in view of the Act of June 25, 1910, c. 423, 36 Stat. 851. *Held*, following *Cramp & Sons Co. v. International Curtis Marine Turbine Co.*, ante, 28: (1) That, if the making of the appliances would be *per se* an infringement, the Act of June 25, 1910, construed in that case, afforded no defense; but (2) if, as contended and not decided in the courts below, the appliances as called for were so far incomplete that their making and furnishing would at most contribute to infringement by the Government in adjusting and using them for essential governmental purposes, the acts complained of would not be illegal or subject to injunction, in view of the statute as construed in the case cited and in *Crozier v. Krupp*, 224 U. S. 290. *Held*, further, (3) that, the nature of the infringement, i. e., whether it was direct or contributory—having been erroneously treated as irrelevant and so not decided by the courts below, the case should be remanded to the District Court for consideration and determination of the rights of the parties in the light of this court's construction of the statute, not overlooking petitioner's contentions that making the appliances for the Government before the contract was completed, and making them for persons other than the Government, would constitute direct infringements.

231 Fed. Rep. 1021, reversed.

THE case is stated in the opinion.

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Argument for Petitioner.

Mr. L. F. H. Betts and Mr. John W. Griggs for petitioner:

Prior to the Act of 1910, a patentee had a remedy in the Court of Claims by a suit against the United States for its lawful use of an invention, and a remedy in the Court of Claims or District Courts where his patented rights were taken under the exercise of the power of eminent domain. By a tortious or unlawful use of an invention, the United States does not acknowledge or concede that the patentee is entitled to the exclusive rights granted by a patent, or that the United States has appropriated or used any such rights. In fact, any such use of his exclusive rights is in effect a denial of the existence of such rights; or, at least, such use is treated by the United States as the exercise of its own rights. Consequently the patentee could not then recover upon the theory of a taking under the exercise of the right of eminent domain—which does not involve the commission of a tort—for which the law would imply a promise to pay reasonable compensation. But if the prerequisites to the taking of patent rights under eminent domain existed, the patentee could—in a suit in the Court of Claims or the District Court—recover compensation prior to the Act of 1910, on an implied promise to pay. *Hollister v. Benedict*, 113 U. S. 59, 67; *Brooks v. United States*, 39 Ct. Clms. 494; *Bethlehem Steel Co. v. United States*, 42 Ct. Clms. 365; *United States v. Russell*, 13 Wall. 623, 626; *United States v. Great Falls Mfg. Co.*, 112 U. S. 645; *United States v. Lynah*, 188 U. S. 445, 463 *et seq.*

Prior to the act, a patentee had a remedy by an infringement suit against officers of the United States for personal profits and damages. Although it was held that officers could not be enjoined from the infringement when acting in their official capacity, where the infringement was being conducted at government plants or the infringing device was in the possession and use of the United States, yet these officers were liable for the infringement and to

account for such profits as they personally made and to pay such damages as they personally caused. *Cammeyer v. Newton*, 94 U. S. 225; *James v. Campbell*, 104 U. S. 356; *Belknap v. Schild*, 161 U. S. 10; *Forehand v. Porter*, 15 Fed. Rep. 256; *Head v. Porter*, 48 Fed. Rep. 481, 488, 489. These suits in equity, brought against officers of the United States for infringement of a patent, were not dismissed for lack of jurisdiction, but the court assumed jurisdiction and decided each case on its merits.

Prior to the act, a patentee had a remedy in equity for an injunction and accounting for infringement against vendors or contractors with the United States, but no remedy against the United States for the use by the United States without license or lawful right, *i. e.*, a tort or infringement of a patent.

The Act of 1910 is an enlarging and remedial statute by which the United States simply consents to be sued in tort for its infringement of certain patents. If it be held that the act gives the Government the power of appropriating patent licenses by virtue of eminent domain, the rights of owners of patents are further restricted, because one effect of the act then is that in all cases of suits against the Government for use of patented inventions, where no element of contract is present, the Government may attack the validity of the patent. This was not the case before the act, for patentees then had remedies against the Government in case of a taking under the power of eminent domain and such cases involved necessarily, to prevent their being actions for tort, the recognition of the patentee's rights. It seems clear that the act should be construed to apply only to cases of infringement by the Government as distinguished from cases of a taking under the power of eminent domain; and should not be construed to deprive this petitioner of its formerly existent right to an injunction against this respondent, and the recovery from him of damages and profits.

The District Court's contention sweeps away the distinction between the infringing private citizen and an infringing Government and its officers. It confuses the right of a patentee to enjoin such private infringer, and to recover compensation from him, even when acting with the Government, with the power in the chancellor to adjust his decree to what public necessity demands.

In the case at bar, the plaintiff had a right of action to recover damages and profits made by Simon as an independent manufacturer and seller to the Government, and also had an independent right of action, but no remedy, against the Government as a user of the infringing apparatus. *Birdsell v. Shaliol*, 112 U. S. 487; *Jennings v. Dolan*, 29 Fed. Rep. 861; *Daimler v. Conklin*, 170 Fed. Rep. 70. There being three distinct and independent rights, there are three distinct and independent remedies which a patentee has, to wit, the right to recover from the infringing manufacturer and vendee for profits and damages, and the distinct and independent right to recover against the user for damages and profits. It was on this latter principle that the courts, prior to the Act of 1910, took jurisdiction of a suit against an infringing contractor with the Government, and not because the Government had not consented to be sued. A contractor acting for his own profit and benefit has not the same relation to the Government as one of its officers or employees.

The District Court was in error in assuming that by calling for bids for wireless apparatus under the Navy specifications government officers appropriated a license under the patent. The specifications did not mention the invention of the patent in suit. The officers of the Navy might have been satisfied with unpatented apparatus or means. There is no dispute as to the power of the Government to exercise its inherent right of eminent domain over intangible patent rights. Congress, by the provisions (§ 120) of the National Defense Act, 39 Stat.

213, has practically provided for the exercise of that right in respect to manufactured munitions of war whether patented or not.

Crozier v. Krupp, 224 U. S. 290, decided that the Act of 1910 provided a remedy against the United States in tort for its direct infringement, but that its officers could not be enjoined from continuing such infringement.

The right to the injunction should have been sustained, notwithstanding the Act of 1910. The operation of the injunction, so far as the Government's interests were concerned, might have been suspended, if the facts warranted such suspension, but injunction could not be rightfully denied except in case of necessity or of immediate or impending danger to the Government. Even then, we submit, the relief should not have been denied unless the petitioner or its licensees were unable or unwilling to supply the necessary apparatus at a just and reasonable price, and, in any event, unless the petitioner was secured against loss by an indemnity bond from the respondent.

The act of the respondent in manufacturing the patented apparatus, before he had any contract with the United States and for his own benefit and profit, is a separate tort, independent of any subsequent sale to or later contract with the United States, and was sufficient basis to sustain the bill and for an order for an injunction. The respondent had no assurance when he infringed that he would secure the government contract.

The fact that the apparatus might be sold to others than the United States, or that the respondent might use it, was sufficient to justify an injunction.

Mr. Walter H. Pumphrey for respondent:

The sample set was designed and manufactured under the authority and at the request of the Navy Department, and in accordance with the Department's specifications, and use of the patent necessarily was involved in

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Argument for Respondent.

complying with those specifications. *Brooks v. United States*, 39 Ct. Clms. 494.

There was a failure of proof of direct infringement. Manifestly, there can be no argument of infringement based upon the manufacture of the apparatus which Simon supplied to the Department—with nothing more. Therefore, petitioner is driven into the position that the Navy Department, in installing Simon's apparatus, adds certain things to it, which result in producing a system embodying the alleged invention of the Marconi claims in issue and which, therefore, infringes these claims. The manufacture of a separate element of a patented combination, unless proved to have been conducted for the purpose and with the intent of aiding infringement, is not in and of itself infringement. *Saxe v. Hammond*, 1 Banning & Arden, 629; *Heaton Co. v. Eureka Co.*, 77 Fed. Rep. 288; *Thomson-Houston Co. v. Ohio Brass Works*, 80 Fed. Rep. 712; *Bullock Co. v. Westinghouse Co.*, 129 Fed. Rep. 110. Therefore, in order to sustain the petitioner's contention as to contributory infringement, this court must view the Federal Government and this respondent as conspiring together, or acting in concert, the former as principal and the latter as an accomplice, to commit an unlawful act. Such a view is not possible under the Act of June 25, 1910, and the decisions in *Crozier v. Krupp*, 224 U. S. 290, and *International Curtis Marine Turbine Co. v. Cramp & Sons*, 211 Fed. Rep. 124-152. Under the act, as interpreted by this court, it is clear that the Federal Government had a lawful right to make and use patented inventions, subject to the obligation to make just compensation to the patent owner for the property so taken. Whatever may have been the character or quality of the act of the government officer with whom Simon negotiated, the completion and use by the Government of the apparatus in question was clearly an adoption by the United States of the act of the officers when and as committed, and caused such act to

become, in virtue of the statute, a rightful appropriation, for which compensation is provided.

The facts admitted and established conclusively show that the real defendant here is the United States. It was the Navy Department that decided upon and elected to use the apparatus, advertised and solicited bids for it, required each bidder to make and submit a sample set, designated and authorized the respondent, Simon, along with several others, to furnish certain parts of a wireless transmitting apparatus for examination and test, which parts are herein termed a sample set, added the essential elements necessary to make the incomplete and inoperative apparatus complete and operative for wireless transmission, and it was the Department's completion and use of the apparatus that brought it within the claims of the patent in suit, if it is so. The action should clearly have been brought against the Government in the Court of Claims. [Counsel went fully into the purpose of the Act of 1910, and its relation to the doctrine of eminent domain, and its supposed effect in creating a license in favor of the Government, bestowing much consideration upon the case of *Crozier v. Krupp*.]

Simon does not sell wireless telegraph apparatus to the Navy Department; he is merely a contractor, making and supplying it to the Department on its orders. He is, therefore, not a vendor of such apparatus. *Johnson Co. v. Union Co.*, 55 Fed. Rep. 488. Obviously, the license to the Government is unrestricted and protects those who do for the Government that which the Government has a right to do under the license. To hold that the license to the Government is a limited license to "use," in the narrow sense of the use of machines or apparatus, would defeat the very purpose this court, in *Crozier v. Krupp*, held the act was intended to serve, to wit, to avoid "interference with the right of the Government to make and use" inventions in the interest of the commonwealth.

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Even if the word "use" be taken in the narrow sense, it is nevertheless well settled that the right to use an invention implies the right to make the same. The fact that the defendant may make a profit out of the making was not a violation of the petitioner's rights and the petitioner is not entitled to the profit of the manufacturer. The right to such profit passed with the license irrespective of the individual who might do the work.

MR. CHIEF JUSTICE WHITE delivered the opinion of the court.

In the spring or early summer of 1915 the Navy Department submitted its call for proposals to furnish 25 wireless telegraph transmitting sets. The call contained a specification describing the apparatus desired and provided that no bid would be entertained unless the bidder in advance or at the time of his bid submitted a sample of the apparatus which he would furnish under his bid if accepted. Simon, the respondent, who had no manufacturing establishment, employed a manufacturer of electrical apparatus to make for him a wireless telegraph transmitting set and when it was made submitted it to the Navy Department in accordance with the call. He also submitted a bid to furnish the appliances called for conformably to the sample and his bid was accepted by the Navy Department in August, 1915. Before the contract, however, was formally completed, in September following, the Marconi Wireless Telegraph Company, the petitioner, as assignee of the Marconi patents on apparatus for wireless telegraphy, filed its bill against Simon seeking an injunction preventing him from making or delivering the apparatus described in his bid on the ground that his doing so would be an infringement of the rights secured by the Marconi patents. The complainant moved for a preliminary injunction in accordance with the prayer of the bill, supporting its motion by affidavits, and the

defendant made a counter motion to dismiss the bill, the motion not being in the record but the ground thereof being persuasively shown by an affidavit submitted in its support, as well as by the reasons given by the court when it came to pass upon the motion. The ground stated in the affidavit was as follows:

"That affiant, in supplying the United States Navy with wireless sets constructed in accordance with Navy Specifications in the present instance for use on submarines, understood that he would be free of any and all liability for profits and damages for alleged infringement of patents, in view of the law as established by many recent decisions of the United States Courts holding that the Government, in the exercise of the right of eminent domain, may impose a license on any patent, the subject-matter of which it elects to use, and if the apparatus supplied by affiant to the Navy comes within the claims of the patent in suit, affiant has only assisted the Government, a licensee, in carrying out its license."

On the hearing of the motions there was contention as to whether the transmitting sets furnished by Simon were merely an indirect or contributory infringement of the Marconi patents because they were not complete and could not become so until they were adjusted for use and used by the Navy Department, or whether they were so complete without reference to such subsequent adjustment and use as to be a direct infringement. In passing at the same time upon the motion for injunction and the motion to dismiss the bill, the court, not doubting that the bill and the affidavits supporting the motion for an injunction established that the making and furnishing of the apparatus by Simon in an abstract sense infringed the Marconi patents either directly or indirectly by contribution, did not find it necessary to determine which one of the two characters of infringement had resulted because it concluded that such determination in the con-

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crete was wholly irrelevant, as, under the view taken of the case, in any aspect there was no unlawful infringement. This conclusion was reached by considering the Act of June 25, 1910, c. 423, 36 Stat. 851, in connection with the decision in *Crozier v. Krupp*, 224 U. S. 290, and by holding that from such considerations it resulted that there existed in favor of the United States a general license to use patent rights when necessary for its governmental purposes and that Simon, as a contractor or one proposing to contract with the United States, could avail himself of the license right in favor of the United States and therefore was entitled to make and deliver the articles in question for the United States although if such license had not existed, the doing so would be either a direct or contributory infringement. The order as to both the injunction and the motion to dismiss were as follows:

"No injunction will issue. The motion to dismiss is granted, unless plaintiff elects in twenty days to plead over, and allege infringements not arising from governmental contracts. If such election is made, defendant to answer in twenty days after amended bill filed." (227 Fed. Rep. 906.)

The complainant having refused to make the election and to amend, a decree of dismissal was subsequently entered which was reviewed by the court below. That court, while it affirmed upon the theory of the license resulting from the Act of 1910 in accordance with the views which had been expressed by the trial court, also treated the act of Simon as either an infringement *per se* or a contribution to the infringement, if any, resulting from the acts of the United States, and did not distinguish between them doubtless because of a belief that under the construction given to the Act of 1910 both were negligible and afforded no ground for complaint. (231 Fed. Rep. 1021.) By virtue of the allowance of a writ of certiorari the case is now before us.

In view of the construction which we have given the Act of 1910 in the case of *William Cramp & Sons Co. v. International Curtis Marine Turbine Co.*, just decided, *ante*, 28, it is apparent that both the courts below erred, since the significance which they gave to the statute, and upon which their conclusions were based, we have held in the case stated to be without foundation. It would hence follow, looking at this case from a generic point of view, that our duty would be to reverse the action of both courts below and to decide the controversy on the merits in the light of the construction of the statute which we have announced. But we are of opinion that under the case as made by the record the duty of applying to the issues the true meaning of the statute cannot with safety or with due regard to the rights of the parties be now performed, because of the failure of the courts below (a failure obviously resulting from the mistaken view they took of the statute) to determine whether the acts of Simon in furnishing the wireless apparatus amounted to an intrinsic or *per se* infringement, or only constituted contributions to the infringement, if any, resulting from the adjustment and use of the apparatus by the United States for its essential governmental purposes. We are compelled to this conclusion because, if the making of the parts was in and of itself an infringement, it is clear under the ruling which we have just made in the *Cramp Case* that Simon was not protected by the supposition of a license resulting from the Act of 1910 and that his acts were none the less wrongful because committed in the course of the performance of a contract with the United States. And if, on the other hand, they were only contributions to an infringement resulting from the acts of the United States, it is equally clear that, in view of the provisions of the Act of 1910 as interpreted in the *Cramp Case* and as upheld and applied in the *Crozier Case*, no illegal interference with the rights of the patentee arose or could arise

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from the mere furnishing to the Government of the United States of the parts which were not *per se* infringements, even although the use by the United States would infringe the patents.

It follows therefore that to finally decide the case would require us to determine whether or not the apparatus as furnished was a direct infringement or mere contribution. But to do this would call for the exercise on our part of a duty which it was the province of the court below to perform and which doubtless it would have performed but for the error into which it fell concerning the interpretation of the Act of 1910 and the application to the subject which was before it of the prior decision of this court in *Crozier v. Krupp, supra*. Under these circumstances, as we have clearly removed by our decision in the *Cramp Case* all reasons for misconception concerning the statute and have thus cleared the way for the discharge by the court below of its duty, we think the case before us comes directly within the spirit of the ruling in *Lutcher & Moore Lumber Co. v. Knight*, 217 U. S. 257; *United States v. Rimer*, 220 U. S. 547; *William Cramp & Sons Co. v. International Curtis Marine Turbine Co.*, 228 U. S. 645; *Brown v. Fletcher*, 237 U. S. 583. We do not overlook, in saying this, contentions advanced in argument that, as the devices may have been made by Simon not only for the Government but for other persons, and even those furnished the Government were made before the contract with the Navy Department was completed, therefore his act in making them was a direct infringement. We do not, however, stop to dispose of them, since we are of opinion that under the state of the record we ought not to do so but should leave them also to be considered for what they are worth by the court below, if duly presented and relied upon, when it comes hereafter to consider the controversy.

Our order therefore will be one reversing the decrees of

both courts below and remanding to the District Court to the end that in the light of the construction which we have given the Act of 1910 the rights of the parties may be considered and determined.

Reversed and remanded.

MR. JUSTICE McKENNA dissents.
